

Analyzing the employee retention strategies in supermarkets of Coimbatore, Tamil Nadu

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ABSTRACT

Employees are the competitive advantage of any labour-intensive industry especially in the retail sector. Employee retention strategies help to retain efficient employees in an effective way. Retail sector faces more difficulty in retaining talented employees due to lack of healthy retention practices. The purpose of the present research was to study the relationship between the length of service of employees and their retention strategies and to identify the effective retention strategies from the perspective of employees. Descriptive research design was adopted in the study. A sample of 60 employees was selected from the supermarkets of Coimbatore, Tamil Nadu using the simple random sampling technique. The results showed that there was a significant relationship between the experience of employees and the retention strategies and provided the influencing factors behind the retention rates of employees.

Keywords: Employee retention; retail industry; strategy; super markets

INTRODUCTION

Employees are the strength of an organization in the retail sector as it includes manpower to a huge extent. Hiring an employee is never an easy process but retaining the employees is always a challenge for every organization. Besides continuously satisfying an employee is another challenge faced by employers today. One of the major advantages of increasing employee retention rate is that it reduces turnover costs. Retaining employees for a longer period of time benefits the organization in various ways. Trained employees can handle the customers easily which in turn helps to gain loyal customers. The present study focuses on identifying the relationship between employee retention strategies and experience in selected supermarkets of Coimbatore, Tamil Nadu.

Warden et al (2018) reported that efficient employees are the pillars of any successful organization as they are the direct link between the employers and customers. The research revealed that longer working hours with minimum salary packages and insecure working environment are the major threats to the

employees which decrease the employee retention in the micro-retail business.

Leelavati and Chalam (2017) identified that career growth was one of the major reasons for the employees for quitting their job in the retail sector as it had no promotional opportunities. Compensation was another factor which increased employee turnover. The research suggested the retail sectors to adopt fair compensation packages to attract more employees.

Verma and Likhitar (2015) found that job ambiguity and work overload were the major factors which increased the attrition rate of employees. Further the study provided some suggestions to improve the employee retention rate such as effective use of available labour, paying fair wages, creating challenging and innovative tasks etc.

Thakur (2014) reported that money was not the major factor which affects the employee retention in the retail sector. Career growth opportunities, working environment and coordination among the co-workers played a dominant role in the employees' decision to

remain in the same organization. The study found that the employees face difficulties in work-life balance and suggested that framing HR policies would help any organization in retaining the employees.

Goswami and Jha (2012) stated that every organization should focus more on retaining the employees rather than attracting them as they were considered to be the valuable assets of any organization and retaining efficient workforce would help the organization in cost-saving aspects. The study insisted that organizational planning should focus on the causes of employee attrition.

The present study was conducted to analyze the relationship between the length of service of employees and retention strategies and study the factors influencing the employees over employee retention strategies in the supermarkets of Coimbatore, Tamil Nadu.

METHODOLOGY

A descriptive research design was adopted in the study. Simple random sampling technique was implemented with a sample of 60 respondents drawn randomly from various supermarkets of Coimbatore district, Tamil Nadu. Data were collected through a well-structured interview schedule. Statistical tools such as multiple linear regression was used to analyze the significant relationship between the experience of employees and the retention strategies and Garrett's ranking technique (Garrett and

Woodworth 1969) was used to rank the various employee retention factors. The statistical analysis was done using statistical package for social sciences (SPSS) 16.0.

RESULTS and DISCUSSION

Relationship between length of service of employees and retention strategy

Regression analysis was carried out to identify the significant factors which influenced the length of service of employees among the six independent variables. Length of service of employees was taken as the dependent variable whereas working environment, health and safety measures, family welfare measures, rewards and recognition, organizational culture and job satisfaction were taken as independent variables.

The model summary (Table 1) indicates that the six independent variables had about 47 per cent influence on the length of service of employees. This proved that independent factors played a significant role in determining the experience of the employees.

It can be inferred from Table 2 that the strategies such as working environment ($\beta = .405$, $t = 3.652$, $p < 0.05$), organizational culture ($\beta = .343$, $t = 3.274$, $p < 0.05$) and job satisfaction ($\beta = .295$, $t = 2.979$, $p < 0.05$) were positively related to length of service of the employees as the coefficient showed positive sign. This indicates that working environment, organizational culture and job

Table 1. Model summary

Model	R	R square	Adjusted R square	SE of the estimate
1	.726 ^a	.526	.473	.674

Table 2. Model summary of influence of different independent variables on the length of service of employees

Model	Unstandardized coefficient		Standardized coefficient (β)	t	Sig
	B	SE			
Constant	-5.169	1.136	-	-4.551	.000
Working environment	.669	.183	.405	3.652	.001
Health and safety measures	-.144	.158	-.113	-.912	.366
Family welfare measures	.254	.182	.185	1.391	.170
Rewards and recognition	-.085	.179	-.049	-.474	.638
Organizational culture	.562	.172	.343	3.274	.002
Job satisfaction	.636	.213	.295	2.979	.004

satisfaction had a positive impact on the experience of the employees. Hence there was a significant relationship between the length of service of employees and retention strategies.

Factors influencing employee retention

The factors that influenced employees for being in the same retail shop were analyzed using Garrett's ranking technique. The employees were

Table 3. Factors influencing employee retention

Factor	Calculated value	Garrett's value	Rank
Salary	6	80	IV
Working conditions	19	68	I
Supervision/management	31	60	II
Fringe benefits	44	53	VII
Recognition and reward	56	47	VIII
Job security	69	41	V
Loyalty towards the company	81	32	VI
Company image in the society	94	20	III

asked to rank the different factors which retained them in the same retail shop. The results are furnished in Table 3. It was found that working conditions were the foremost factor which motivated the employee to retain in the organization which was followed by supervision/management of the organization, company image in the society, salary, job security, loyalty towards the company, fringe benefits and recognition and rewards. Thakur (2014) and Gharib et al (2017) also reported that apart from salary there were many retention factors which were important to the employees.

CONCLUSION

It was concluded that employee retention strategies such as working environment, organizational culture and job satisfaction had a positive effect on the length of service of employees in the supermarkets of Coimbatore. Hence the organized retail sectors could consider these factors for retaining their employees for long term. The study found that salary was not alone an important factor to be included as a retention factor. Hence organizations should give importance to other retention strategies like improving the working environment, providing compensation packages, fringe benefits, etc to eliminate the turnover intentions of the employees.

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