

RESEARCH ARTICLE

Employee Attrition and its Controlling Measures: A Case Study of a Retail Store in Pune

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Abstract: With India's rapid economic growth, heading towards a developed economy, and the changing consumer behavior, the market for the organized retail industry is in the boom. India has become one of the world's favorite sourcing destinations for retailers of various brands, both foreign and national. The rural areas and lesser developed Tier I & Tier II cities provide ample opportunities of growth as these are the untapped markets. The retail industry is expected to reach worth of US\$ 28 Trillion by 2019 at the world contribution level. Surprisingly when the industry is rising so fast, it also marks a high attrition rate similar to hospitality service industry. Many researchers have worked on finding out the reasons for this problem, yet there are either geographically confined or sector oriented or the reasons are generalized, hence there was a need to understand the causes for attrition rate in the geography of Pune. The research has been done for a particular retail store of a branded outlet and the units of analysis for this research were the front level employees, who mostly left the organization. The outcomes after direct interviews, questionnaire surveys and observations were mainly the issues of competitive pay, work life imbalance, work stress due to long working hours and some others.

Keywords: *Employee Attrition, Controlling Measures, Retail Store.*

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Introduction

Retail is the sale of goods and merchandise to the end users, for use and consumption by the purchaser. Retailing involves displaying of products, describing the features and benefits of products, stocking products, processing payments. Retailers aim to make the purchase of goods easy for the consumer. That's why retail stores have so many of salespeople, why Internet shopping websites have customer service, instant chat popups, and why catalogs have descriptions, photos, and toll-free phone numbers. According to IBEF survey reports, the contribution of retail industry to India's GDP is 10% as per 2018 and it contributes 8% of nation's employment.

India's retail market is expected to increase by 60 per cent to reach US\$ 1.1 trillion by 2020, on the back of factors like rising incomes and lifestyle changes by middle class and increased digital connectivity. The long-term outlook for the industry is positive, supported by rising incomes, favorable demographics, entry of foreign players, and increasing urbanization.

Although the industry seems to grow high in the near future but it also marks the highest attrition rate among all other sectors. The attrition rate of 2018 was as high as 18.5% as compared to other sectors according to Statista Report, 2018. This was an interesting area to study and understand the probable reasons for the high attrition rate in retail industry. To define, employee attrition is the reduction of staff by voluntary or involuntary reasons. These can be through natural means like retirement, or it can be through resignation, termination of contract, or when a company decides to make a position redundant.

There are different turnover rates across industries, with hospitality and retail having higher rates compared to other industries. But a high turnover rate can be costly. When a company considers its investment cost in recruiting and training employees and only having them stay on for a short period of time, it is not getting back a return on your investment.

With changing times, the issues regarding the reasons for employee attrition is transforming and thus it needs to be revised time to time. This research work has been done in order to understand the causes of employee attrition, primarily in retail industry, taking a particular store in consideration. The scope of the research would be its usefulness in understanding the factors influencing the attrition of the store as well as knowing their employee welfare schemes and how they retain them.

Review of Literature

The current internal and external environmental factors show a favorable scenario for the retail industry to grow immensely in near future but the rate of turnover of employees is high as well. It is surprising to know that when an industry grows and has better prospects in near future, then why people tend to leave those big brand organizations after serving for a very temporary period.

Researchers over the time has studied about the critical issue of high attrition of employees in retail, ITes, hospitality industries and has come up with multifaceted perspectives regarding the reason for attrition. A study on employee attrition titled “Employee Attrition - A Challenge for the Indian Retail Industry.”, focuses on possible reasons for employees to leave an organization. The study was based on hypothesis to study the relationship between factors of attrition and the rate.

The findings show that the correlation value for organizational and job stress are high signifying them to be one of the primary reasons for high attrition. Job commitment and job satisfaction also adds to the value. Another study titled “Factors affecting turnover intentions in the Indian retail industry”: [1].

The study highlights the impact that organizational factors such as growth, development of career, promotions, appraisal and others, contribute towards high attrition in Indian retail sector. Results showed that when employees are stressed, dissatisfied and receive unfair treatment they withdraw their citizenship behavior and tend to leave. Other factors such as job satisfaction, commitment towards the company and intension to quit are also noteworthy as

reasons for employee turnover. To understand the commonality and differences of probable reasons for high attrition in retail service industry, a study titled “Employee Attrition in the Malaysian Service Industry: Push and Pull Factors” [2] was referred to. The study points out the push and pulls factors that catalyze the rate of employees moving out of the organization.

According to the quantitative outcomes of the research paper, the pull factors such as compensation and benefits, interest level at workplace and promotional opportunities were strong drivers than the push factors which included work family lifestyle, relationship with co-workers and peers, work stress, relationship with supervisors and others. The debate occurred when the Focused Group Discussion was conducted and employees’ reviews and feedbacks were collected.

Surprisingly, the responses collected projects that the push factors were more prominent catalysts for attrition rate in service sector industries because these factors connect to the entire cognitive process of a person’s mind & the leads to the decision of leaving an organization. The results have important implications for employers as well as HR management teams who work for reducing the attrition rate of an organization.

The researchers also provide a scope for further research in this field of high attrition in service sector industries, whether the causes for attrition in larger firms are same as those of smaller or other sector industries. Another research report highlights the critical issues of employee commitment, productivity and retention as major challenges faced by the modern times human resource management systems.

The paper presents a case study on employee attrition and finds out its causes in automotive industry in India. The outcomes of the research project were the reasons such as, biasness among supervisors regarding the rewards and recognition of the employees, the career progression opportunities provided by the organization, innovative work practices, measuring potentiality, competencies etc [3]. The researchers developed a career development model and also a career progression model, in which they systematically presented the different

ways to develop the career opportunities for different management level employees in order to retain them in the organization. The scope provided by this research is to study further on cognitive process of employee's mind and how the factors of the given models impacts their decision making which leads to employee attrition. Also, the factors are based on a model made for automotive sector; further research needs to be done to find out whether these are possible causes for other industrial sectors. The scope exists to develop a new theory of attrition and construct a generalized model.

Research Gap

As time has been moving on rapidly, the trends of employee behavior are transforming as well. To keep pace with the transient motion of time, studies need to be conducted often to understand what are the reasons affecting to this highly alerting concerns of HRs now and in near future regarding employee attrition.

This study is concentrated in a store of a particular brand outlet of a particular region, yet it involves direct interviews with the front line employees and hence it provides a realistic insight about what they actually think about their careers with the brand and about the retail industry. The review of literature mentions various factors causing employee turnover in any organization, but the studies are concentrated in a particular geographical boundary, for instance Malaysia, or a particular industry, e.g. automotive industry.

It becomes imperative for a study to be conducted for the retail industry where the attrition rate is high and there are multiple factors leading to it. Moreover, the push and pull factors, as mentioned above, in a case study, are generalized in nature and thus, this research studies whether those factors really impacts the same way to the particular geography of Pune, to the work culture and to the retail industry as well. As this study was conducted through direct interviews and questionnaire would help the reader understand and have a clear idea about the specific grounds of causes leading to employee leaving an organization.

Research Methodology

The method which is used to collect information and data for the purpose of

making business decisions, which includes research design, unit of analysis, data collection and sampling techniques and other methods to reach to the final outcome. The Research design refers to the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring you will effectively address the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data. Descriptive research design is used for this research work.

Descriptive research is defined as a method of research that describes the characteristics of the population or phenomenon that is being studied. This methodology focuses more on the "what" of the research subject rather than the "why" of the research subject. In other words, descriptive research primarily focuses on describing the nature of a demographic segment, without focusing on "why" a certain phenomenon occurs. In other words, it "describes" the subject of the research, without covering "why" it happens. The units of the analysis for the research are the employees of the retail store, which is the basic trimmed down source of collecting the primary data.

The target population provides the overall context and represents the collection of people, housing units, schools etc. about which inferences and estimates are desired. According to this, all the employees of the brand, of all the outlets, would be the target population for the research. A sampling frame is a list of all the items in your population. It's a complete list of everyone or everything you want to study.

The difference between a population and a sampling frame is that the population is general and the frame is specific. In our case the sample frame includes the number of employees of a particular retail store in Pune. The sample size determined for this research work is 50 respondents. The sampling technique used for this work is convenience sampling method. The data collection method was interview method and instrument for data collection was questionnaire method and direct interview.

The data sources are: -

- Primary Data

- Feedback from the employees of the particular sources
- Data from the Store Manager and Department manager.
- Questionnaire (Structured)- Interview
- Observation
- Secondary Data
- Official websites

- Company reports

Data Analysis

The respondents for the primary data for this project mostly include the fashion assistants of the retail store, who are in the age group of 19-25 on an average. Out of the 50 respondents, there are 36% females and 64% males. In the questionnaire the name of respondent's name has not been mentioned to keep the confidentiality of the responses.



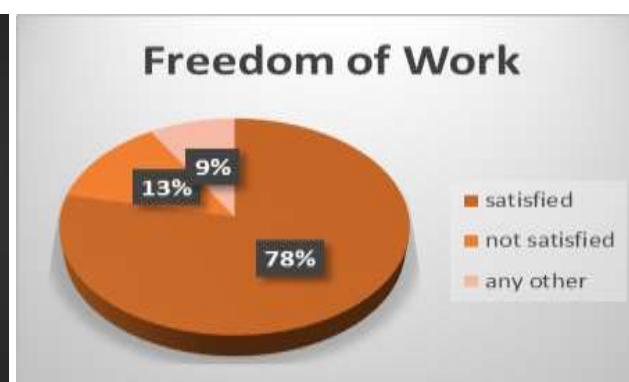
When asked about their average service time in the store, they responded that the average time period is 12 months for most of the employees. This marks that the attrition rate of the store is high and the study works on to find out the possible reasons for the same. Surprisingly of the fact that most of

employees are working for average of one year, 48% of the respondents feel that the work culture of the store is satisfactory & 36% of them feel it's excellent, which is extremely a good feedback from the employees.



Moreover 64% of the respondents feel that they receive their desired value in the store, mainly in terms of employee respect from the supervisors.

This figure points out that though there is a hierarchical structure but they are not authoritative & there is mutual respect among each other.



When asked about the appraisal system 48% of the respondents say that it is above average which means they feel it is unbiased to a much extent and the reward & recognition program conducted every month boosts up their motivation to work more efficiently for the organization. Moreover, 78% of the respondents said that they experience satisfaction level in their work freedom, which includes taking general decisions regarding the department.

This also marks how much the organization wants its employees to involve in the management system. It is important to have employee engagement because the changing trends demands a flexible relationship of the employee and the organization and modern day human resource department is working hard on the industrial relations issues.



56 % people say that they would recommend their relatives or friends to join the organization, which further implies that they are benefitted by the brand and have a good remark towards it. When asked about the awareness of the career opportunities, provided by the organization for employee career growth, 72% of the respondents said they are aware of it and thus 63% of the respondents said they want to continue with the brand and looking forward to a long career with it.

Research Findings

According to the responses received through personal interaction & interview method, the reasons what the reports of literature review brings out, are not right fitted for the cause of attrition in the retail store. As per the graphical interpretation and analysis, the probable reasons for attrition among employees of the retail store could possibly be –

- Lack of competitive pay.
- Compensation and benefits provided.
- High targets
- Work life imbalance
- Long working hours
- Job monotony

- Strict leave policies
- Lack of clear guidance about the career development opportunities.

While interacting with the employees and observing them, in the field reports collected, people mentioned that the time demanding work that retail industry offers and the lack of competitive pay that the employees receive are the main hindrances of their retention in the organization. Some of them also mentioned about the lack of time they have for themselves and their family. People have issues with leave policies, they say the department managers are unwilling to provide them leaves to visit their native places.

Many of the people are unaware of the number of leaves they are supposed to have in an entire year. This marks the inefficiency of the respective managers to communicate regarding the important policies to the employees at the time of their induction. Although the work culture of the organization was good and there was unity among the people, to a large extent it was felt that they were tired of their jobs, due to job monotony and they are not much motivated and active during the sale period to reach the daily and monthly targets. No doubt that the managers were working hard for the issues to get resolved but there needs to a steady increase in the competitive pay and

compensation and benefits provided for the hard work of the employees.

Recommendations and Conclusion

Among all other major pillars of an organization, the employees are surely one of the important ones. Employees being an asset with amortization process have to be taken care of, and here is where the role of human resource management comes into play. The modern generation has realized the importance of employee welfare and how the entire process has to be maintained in humanistic way in order to have employee satisfaction and organizational profit as well.

The feasible solutions that can adopt by the management to reduce the attrition rate of the organization would definitely be that the management should work towards the competitive pay & compensations and benefits of the employees so as to keep them motivated. The supervisors and DMs should focus on guiding and making employees aware of the career opportunities provided by the company so that they retain in the organization.

To avoid job monotony, the supervisors should keep them engaged by changing departments and experimenting with roles and responsibilities. Recruiters should hire the right people, with right motive to retain the organization.

Make sure they provide the insight of the work hours, leave policies, payments and benefits that the company provides to the employees. Flexibility in work schedules would also help the employees to provide time to their families and dear ones and maintain a work life balance. This would retain their energy level to work efficiently and enhance their productivity [4, 5].

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