Job Satisfaction – A Major Factor Behind Attrition or Retention in Retail Industry

Dr. Sarabjeet Kaur¹ & Ms. Ritu Vijay²
¹ Assistant Professor Department of Business Studies, IIS University, Jaipur,
² Research Scholar, Department of Management Studies, IIS University, Jaipur

Abstract: The Employee turnover has always been a crucial matter of concern for organizations. In today’s era of globalization there are ample opportunities for talented people in this world, therefore, employees are inclined to move from one organization to another. Due to this Corporates are facing the problem of attrition in the world of economic revival. A large degree of employee turnover is highly deleterious to both the organization as well as the employees. How to reduce employees attrition is a decisive challenge for the HR managers. Lucrative incentives and motivational theories have become useless and are considered as old practices of the human resource management. This article presents a holistic view of attrition and retention of employees in this competitive scenario with reference to Retail Industry. Along with other factors, Job Satisfaction has been considered as the major source of attrition and retention. The relevant literature review has been done for compiling this research paper in order to find out the various factors responsible for the attrition of employees in the retail sector. The research is based on the relevant literature review and also from the secondary data available on the internet.

Keywords - Attrition; Retail; Job Satisfaction; Retention;

1. Attrition

Attrition stands for a gradual reduction in work force without firing personnel, as and when workers resign or retire and is not replaced. Business dictionary states, Attrition is “Unpredictable and uncontrollable, but normal reduction of work force due to resignations, retirement, sickness or death.”

As per the American Heritage Dictionary of the English Language,” Attrition is a gradual, natural reduction in membership or personnel, as through retirement, resignation or death.” Dr. Paul Carr and Dr. Michael Hartsfield in their article “Attrition as an HR Challenge” (The ICFAI Journal: HRM Review, March 2008) states that Attrition can be conceptualized in many forms but the two prominent forms of attrition are: attrition due to employees leaving an organization and employees retiring from an organization.

As per the Longman Dictionary of Contemporary English, Attrition happens “when people leave a company or course of study and are not replaced.”

2. Retail

The retail industry in India is divided mainly into two sectors organized and unorganized. Although in India it was mostly unorganized, however with the change of time and upgraded lifestyle of people the industry is getting more popular and organized as well. Now a day with the development of increasing working women population, nuclear families, large young working population the buying behaviour and the total concept of shopping of consumers has undergone a revolutionary change, which thereby has resulted into the growth of organized retailing in the form of large format stores, multi storied malls with food, entertainment and shopping all under one roof.

3. Attrition in Retail Industry

In any industry, attrition leads to cost as companies spend lot of efforts and time as well as money in hiring a single candidate. Further it takes more when it comes to train them and to get acquainted into the system. After putting all the efforts if employee leaves the organization, it leads to cost to company in terms of knowledge that he gained while working, worry among co workers, cost attached to new recruitment and overall it affects the productivity of work. Losing a valued employee is always a loss for the company.

When it comes to Retail industry, Attrition brings a big loss to company as it affects the complete operations of the retailer. In organized retailing major workforce is of young talents. Young professionals are growth oriented so always keep searching for new opportunities in the market. Also stress, long working hours & lack of career growth leads to high attrition in Retail. Employee turnover has become the challenge that the organized retailers are facing tremendously.
4. Retention

Retention is more economic than recruiting new employees. Organizations should have an effective retention policy to retain the existing employees. Retention management is the process of retaining the existing manpower specifically the competent & talented one and also to encourage others to join the organization.

High attrition leads to increased cost to the organizations. Therefore the HR Manager of the company should either have a proper policy to retain the employees or should plan the exit to prevent the loss occur due to attrition. Through attrition, people not only leave the organization but also take the company resources in the form of expenses occurred in recruitment, training given to them, knowledge they have gained, time etc.

The high attrition rate affects the productivity of the organization. Therefore, it is extremely important to control attrition not only for one company but also for the industry as a whole.

According to retail managers, on-job training is useful in building a company culture and help in better retention rates. (Shabnam, Paul 2008). The employees are the most valuable factor and are responsible for the ups & downs of the company. Therefore, it is the responsibility of the HR manager to retain their competent staff by keeping them satisfied through allocation of right job, creating healthy environment, by empowering employees, keeping transparency, adequate salary & incentives etc. Following this, organisations can make their employees satisfied. Job satisfaction will certainly reduce attrition and will encourage retention of employees.

5. Job Satisfaction

Attrition and Retention of an employee depends upon the certain factors that are called Job Characteristics. These Job Characteristics have impact on the outcome of the job which finally leads to Job Satisfaction. If an employee is not satisfied with the job he will be an addition to attrition whereas if he is satisfied with the job he will be retained in a company and will help the company grow. To understand this chemistry of Attrition, Retention and Job Satisfaction we can refer to below model.

Hackman & Oldham (1976) proposed the Job Characteristics Model, which is widely used as a framework to study how particular job characteristics, including job satisfaction, impact on job outcomes. The model states that there are five core job characteristics (skill variety, task identity, task significance, autonomy, and feedback) which impact three critical psychological states (experienced meaningfulness, experienced responsibility for outcomes, and knowledge of the actual results), in turn influencing work outcomes (job satisfaction, absenteeism, work motivation, etc).

Below is the model to understand the Job characteristics and their impact on job outcomes.

6. Literature Review

Hannay & Northan (2000) argued that It has become a need of time for employer to retain its employees. To retain the employees, organization has to make retention policies like lucrative package and benefits to build loyalty and commitment. Also developing future opportunities for the career growth of employees help in retaining them because these opportunities bring more pay, extra work responsibilities, better work environment and different incentives plans.
Firth et al (2003) found that job stressors like work overload, job ambiguity trigger the chain of psychological states which lead to intention to quit. He suggested that proper support from supervisors can reduce the impact of stressors which in return can reduce the intention to quit.

Proper monitoring of workloads & supervisor-subordinate relationships may not only reduce stress but also may increase job satisfaction & commitment to the organization.

Govaerts et al (2011) suggest that to retain employees in an organization special attention should be paid towards learning of employees. If an organization encourage learning then it can reduce employee attrition. Age is also an important factor behind employee retention.

Priya (2011) found that in retail sector males are more as compared to females and are having more responsibility as well. Dissatisfaction of Job among male candidates is the most prominent reason for employee turnover, which creates problem in the proper execution of retention strategies.

Organization Policy, Climate & retention are interrelated. It was also observed that as the organized retailers provide better working condition to their employees, so there is no correlation between working condition and retention.

James and Mathew (2012) suggested that the best way to encourage the employee retention is to understand what employees expect from organization. Some important retention strategies include training and development opportunities, rewards and recognition, mentoring and coaching sessions, flexi work timing, career planning, annual performance appraisal, on site and day care facilities etc. At senior level, flexible working hours can help in retaining employees.

Lahoti H Jyoti (2014) suggested that in order to be stable, as a part of a successful retail strategy, executives must align employee performance with customer satisfaction & loyalty.

From her study, it was found that the HR management practices in the retail outlets are still not fully developed and in the initial stages of development. Proper facilities & better performance appraisal always encourage the employees to achieve the best.

Sultana Almas (2014) has found that in India retailers require creative HR practices to manage & retain the best talent of the organization that is the HRM practices implemented in the organized retail sector in India needs creativity.

This research also suggested that attractive compensation packages should be provided directly in the form of salary & bonuses as well as indirectly in the form of paid vacations, health & life insurance & retirement plans to encourage retention.

Janani (2014) found two factors that affect employee turnover intentions i.e. push factors and pull factors. Push factors include size of organization, benefits and facilities, location of organization, communication system in organization, nature and kind of organization and pull factors are increased salary, new challenges, career advancement and interesting job. Age, marital status, health problems and family related issues are some personal factors that affect employee turnover intentions.

David (2015) summarized different reasons for attrition in IT sector. Few of them are heavy stress due to high work pressure leading to high attrition, lack of trust among employees specifically towards their leaders which leads to demotivation and increases attrition.

S and Ravindra (2013) suggested that organizations should understand the employees in a better way and should create a more reliable and firm relationship with their employees. According to him, attrition can be controlled if organization deals with employees emotionally as well. Excess professionalism leads to reduction in retention.

7. Conclusion

After analyzing, it was found that Money is not the only factor which leads an employee to stay or leave the organization but there are some other factors also like Work overload, job ambiguity, lack of career plan, performance pay that affects the employee retention in the retail sector.

After reviewing the studies and articles related to the subject, certain factors have been identified for the attrition of employees in retail industry –

- Retail stores remain open from 11 am to 11 pm and the staff has to be on their feet for whole day. Stretched working hours lead to loss of interest among employees and therefore lead to attrition.
- Whole day the retail staffs have to keep themselves ready to serve the customers with smiling face which lead to anxiety.
- Working hours and hardwork required to perform the job do not match with the salary and perks, hence leads to demotivation.
- Work load is heavy on junior staff as well as on their supervisors therefore the junior employees do not get full support of supervisors, due to this harmony in relation of employees get disturbed.
- Lack of creativity and fun @ work makes it monotonous.
• There is no proper training available for the employees.
• At Middle and Senior level, we can say, ample opportunities are available in the market as big players are there who can headhunt employees by offering them lucrative packages.
• Retail is a wide market and employees from this sector are in demand in foreign countries as well so it becomes very easy for the employees to move from one organisation to another.

8. References


