Navigating the Employee Turnover Tide: A Deep Dive into Attrition Dynamics within Mumbai's Retail Sector

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Abstract

Employee turnover has always been a major consideration for organizations. A large degreeof employee turnover is a major problem for both the organization as well as the employees. In the current situation reducing employees' turnover intention is a very pivotal challenge for today's HR managers. Old techniques of better pay and incentives and employee's motivational techniques have been useless. To analyze employees' turnover intention and its impact on organizational outcomes 100 questionnaires were distributed to the first- and middle-line employees in selected organized retail outlets in Lucknow. This is qualitative research. The medium of data collection was done through questionnaire. With the use of descriptive statistics, it is found out that turnover intention has influence on attrition factors such as career growth, working hours, personal/family reasons, and relation with internal co – worker, quality of working life, and welfare of employees, working conditions, salary, and incentives.

Key Word: Attrition, Turnover intention.

1. Introduction

Human resources are evolving seasoned professionals to keep abreast of policies, procedures,compliance requirements, attrition, and best practices. Employee turnover may be understood as the employee leaving the organization or profession voluntarily. It has been observed that voluntary turnover is an interdisciplinary and multidimensional construct. Various studies, over the years, have been conducted and different models have been proposed to explain the turnover of employees. Different factors have been quoted in the models to reason out the quitting behavior of employees. However, every model indicates one common factor –turnover intention –as the antecedent of actual turnover behavior. This study aims to find out the factors determining the intention of turnover and attrition.

2. About Retail Industry in India

Retail involves the process of selling consumer goods or services to customers through multiple channels of distribution to earn a profit. Demand is identified and then satisfied through a supply chain. Attempts are made to increase demand through advertising. In the

2000s, an increasing amount of retailing began occurring online using electronic payment anddelivery via a courier or via postal mail. Retailing as a sector includes subordinated services, such as delivery. The term "retailer" is also applied where a service provider services the small orders of many individuals, rather than large orders of a small number of wholesales, corporate or government clientele. Shops may be on residential streets, streetswith few or no houses, or in a shopping mall. Shopping streets may restrict traffic topedestrians only. Sometimes a shopping street has a partial or full roof to create a more comfortable shopping environment - protecting customers from various types of weather conditions such as extreme temperatures, winds or precipitation. Forms of non-shop retailing include online retailing (a type of electronic commerce used for **business-to-consumer**(**B2C**) transactions) and mail order.

Currently, India is the 5th largest retail market in the world. The Indian retail industry is divided into organized and unorganized sectors. Organized retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate backed Hypermarkets and retail chains, and the privately owned large retail businesses. Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local Kirana shops, owner manned general stores, paan / beedi shops, convenience stores, hand cart and pavement vendors, etc.

3. Background to Study Attrition rate in Indian Retail

According to Meyer and Allen (1997) the study, the banking and finance sector saw the greatest employee turnover at 25%, which is likely brought on by stable economies, growing markets and increased retail investor confidence.

The attrition rates are comparatively high when it comes to the retail industry. "The attrition rate in retail industry is 30-35 per cent. The main reasons being--- it's a tough job to be on feet the whole day and smile at customers, second, the job is reaction intensive, and the business is mainly transactional." According to human resource experts, the average attrition rate is projected to grow at 31% in Indian firms in the April-June quarter, a rise of 9-10% from the preceding quarter (January- March). In the April-June quarter of 2022-23, the average attrition rate was 27%. Generally, employees would have received their annualappraisals during the April-June period and those not happy with their performance review orsalary hikes seek better opportunities. Consequently, attrition rates are seen going up in these three months, experts opined. It is understood that the job involved is physically and mentallytiring and the opportunities for people to move across the industry are far more in comparisonto any other industry.

4. Review of Literature

Conceptualize turnover to be a psychological response and rest on the belief that turnover is an individual choice behavioral pattern (Lum et al., 1998). Intention to leave has a behavioral implication as it entails one's attachment to the organization (Iverson and Roy, 1994) or the degree of likelihood of an employee forfeiting membership in an organization (Boshoff et al., 2002; Currivan,1999). Sagar et al (1998) referred to turnover cognitions as mental decisions intervening between an individual's attitudes regarding the job and the stay, or leave, decision. According to Houkes et al.2003, turnover intentions might be seenas a psychological outcome and to Elangovan (2001), intention to quit represents an attitudinal orientation or a cognitive manifestation of the behavioral decision to quit.

The question is important when one sees the difficulties some companies encounter inretaining their best employees, particularly in the context of a volatile labor market for those occupations that are in particularly in the context of a volatile labour market for thoseoccupations that are in particularly high demand (Longenecker and Scarezzo, 2003). Moreover the direct and indirect cost of uncontrolled labour turnover can be substantial (Tziner and Birati, 1996) and it would be an error not to take into account any leverage a company might have over this phenomenon – at least for the purpose of understanding it.

From this perspective, while research has shown the importance of some organizational characteristics (internal career

opportunities, size, organizational climate etc.) and environmental variables (available employment alternatives, economic and market conditions, etc) affecting turnover, we know little about how a company's reputation can influence employee retention. The goal of this Paper is precisely to examine how employee's perception of the external image of the company they work for influences their intentions to stay or to leave. I attempted to study this topic using a questionnaire based survey completed by management level employees. Organizational image and reputation can be seen as reciprocal messages between the organization and the outsiders (Whetten and Mackey, 2002). Job satisfaction is the second essential determinant of turnover cognitions in the models presented in the literature. Satisfaction is the positive (negative) evaluative judgement one makes about one's job or job situation (Weiss, 2002), While dissatisfaction can influence employee intention to quit, a positive evaluation or an appreciation can contribute to the intention to stay.

As mentioned, the reason that satisfaction and commitment have received so much attentionis that they have been found to predict turnover intentions (eg. Martin 1982), Francis- Felson et, al. 1996). A Meta analysis generally confirmed the findings of the two affirmative studies (Irvine and Evans 1995). Find out job factors such as routinization, autonomy, feedback, role conflict and role ambiguity had larger association although work overload has small association. The work environment factors, supervisory relationships, leadership, stress, advancement opportunity and participation had association of similar magnitude to those of the job factors. Job characteristics that were measured on ulti – item scale included role conflict (seashore et.al 1983), role ambiguity (Caplan et al, 1975), feedback received from others (Simset al, 1976) and quantitative work load (Quinn, et al. 1971. There were also six single – item job characteristic measures used: task control(Greenberg 1982), my workschedule meets my personal need, I feel physically safe at work, employees get the training they need to do their jobs, paperwork interfaces with providing care , able to do job independently of others.

 Later five items were developed and pilot tested specifically for this study. There were five work environment characteristics measured, task orientation, work pressure, task clarity, and innovation came from the modified versions of the work environment scale (Insel and moos 1974).

5. Factors for Attrition in Retail Industry

There are some of the factors for attrition in retail industry from Articles, they are

1. Growth in career/ Better opportunity

2. Salary/perk/ incentives

3. Working atmosphere/ infrastructure and facilities

4. Relationship with superiors

5. Freedom at work place/work freedom

6. Work profile

7. Job security

8. Rewards and recognition/appreciation

9. Stress / work pressure

For the purpose of study the following factors were identified after conducting interviewswith industry experts. So based on these below factors the questionnaire been prepared and data was collected.
Working condition Salary& incentives Welfare of employeesWorking hours/shift
Relationship between co workersCareer growth
Personal/ family reason Quality of Working Life

6. Statement of Problem

In current scenario skilled employees are switching between one and other jobs and taking with them the customer knowledge and technical expertise your company needs. Their   salaries are increasing along with their perks, benefits and bonuses. This study is carried outto trace out the most influencing factors responsible for attrition and the intentions to attrition.

7. Objective

1. To identify various factors that causes attrition

2. To come out with suggestions for prevention of attrition

8. Definition Turnover

Turnover is the process through which staffs leave a business or organization and thatbusiness or organization replaces them. Turnover intention is a measurement of whether a business' or organization's employees plan to leave their positions or whether that organization plans to remove employees from their respective positions. Turnover intention, like turnover itself, can be either voluntary or involuntary

Turnover Intentions

Turnover intention is an aspect of employee turnover in a business and cannot always bemeasured adequately through charts or surveys until after the actual turnover occurs.
There are two types of turnover intentions: voluntary and involuntary.

Voluntary turnover is when someone leaves of his or her own accord, either because thatperson is dissatisfied with the job or has found a better job somewhere else.
Involuntary turnover is when a person is fired because of poor performanceOr due to wrong doings, or if the employee dies.

Why do Employees Leave?

To allow an organization to design and implement an effective retention strategy, it is important for senior and line management to understand the reasons that prompt high performers to leave and find alternative employment. When thinking about their job, employees feel one or more of the following: undervalued, underwhelmed, underpaid or overworked. According to Marcus Buckingham and Curt Coffman, "If employees don't get along with their managers, don't like them or don't respect them, they will leave a company despite a high salary or great benefits. A good manager, no matter the salary, will inspire loyalty." Good employees leave because they believe another company will treat them better. And also various other factors like working condition, salary, welfare, working hours or shift timings, career growth, personal/family reasons are all will be a reason for the intention of their leaving.

8. Research Methodology

8.1 Hypothesis

To find whether attrition factors have influence on turnover intention of employees Ho: there is significant difference between the turnover intention and attrition factor
H1 : there is no significant difference between the turnover intention and attrition factor

The research is qualitative research. The population of the organization where the research is conducted is 100. The element of the population is the first- and middle-line employees of the organization are taken under study. The method by which sampling units were selected is by simple random sampling. Data collection is primary data collection using a structured questionnaire. The data collected were analyzed using statistical tool available in the statistical package forsocial science (SPSS). The tools used for analysis of the data are reliability test, regression, and ANOVA.

9.2. Analysis and Interpretation

To find whether factors of attrition has impact on turnover intentions. To analyze the first objective, the mean variables for attrition factors and Turnover intentions is determined and linear regression is performed.

Dependent Variable	Independent variable
Turnover Intentions	Working Condition
	Salary& incentives
	Welfare
	Working hours/ shift timings
	Relationship with co-workers
	career growth
	personal / family reasons

9.3. Descriptive Statistics

The descriptive statistics table provides summary statistics for continuous, numeric variables.Summary statistics include measures of central tendency such as mean. Since the items are ensured in a 5 point scale values and above 3 are acceptable.

Level of intention of turnover contributed by the factors					
Independent variable	N	Minimum	Maximum	Mean	Standard
Working Condition	100	3	5	3.99	0.377
Salary	100	3	5	3.67	0.473
Welfare	100	3	5	3.5	0.565
Working hours	100	2	5	2.94	0.799
Relationship with	100	3	5	3.92	0.367
career growth	100	3	5	3.66	0.494
personal / family reasons	100	1	5	2.79	0.831
QWL	100	2	5	3.52	0.703
Valid (N)	100				

From the table it is found that the various factors contributing to turnover are all the above-mentioned parameters, except working hours and personal/family reasons.

The significant value of factors like working condition, salary, welfare, relationship with co –workers, career growth, personal/family reason, QWL, is more than 0.05, so it can be saidthat there is no significance difference of opinion of respondents based of educational qualification, but since the significance value of working hour is less than 0.05, F is of insignificant and hence there is difference of opinion on this factor.

9.4. Percentage Analysis

Percentage is used in making comparisons between two or more series of data. Since percentage reduces everything to a common near, a meaningful comparison made.

Age

Series 1

50.00%
40.00%
30.00%
20.00%
10.00%
0.00%

18-   22-   26-
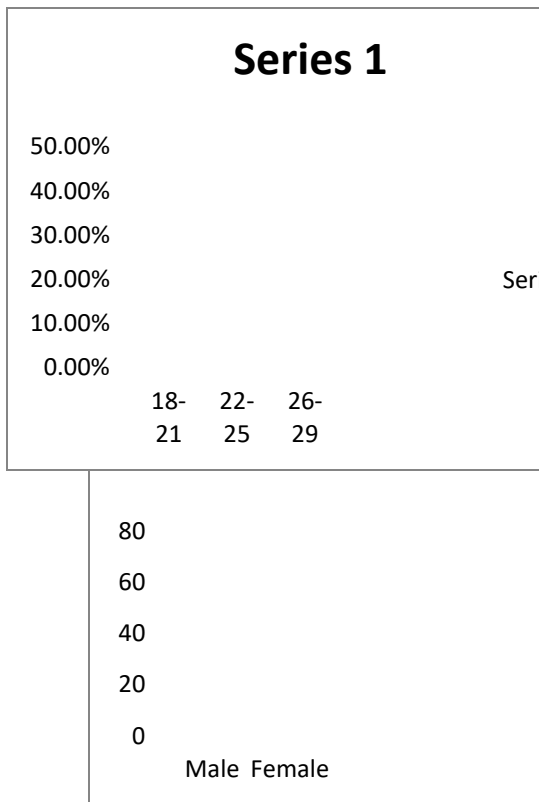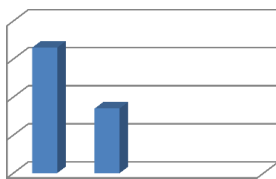21   25   29

80
60
40
20
0

Male Female

Fig1.Interpretation

27.4% of the employees fall in the age group of 18-21. 42%, 22-25 years and 15% falls in 2 -29yrs.
The fact to be noticed here is that the majority of employees are 22-25years (youth) whoare looking for career growth
and thus attritionseems to be high in this category 66 male and 34 females took part.

Respondent

10.Findings

1.   The first objective was to know the influence of turnover intentions on various factors that lead to attrition.
From the analysis it was found that turnover has influence on attritional factorssuch as quality of working life, career
growth, working hours, personal/family reasons, and relation with co – workers, welfare of employees, working

conditions, and salary. The modelsummary table clearly shows the R square value where R square =0.365 which implies that the factor considered has influence on turn over intention.

2.   The second most influencing factor is working conditions. From the analysis, among 8 factors, salary and working condition are the most contributing factors towards the turnover intentions. The interesting factor to be noticed here is that most employees are youth who look for career growth and thus attrition seems to be high in this category.

3.   From the data it is found that working condition, salary, welfare of employees , relationship with co-workers, career growth are major factor for intention of turnover. The study covers major part is on male employees where they look career growth, salary as an important factor.

11. Conclusion

This research attempts to study some of the factors which may be the possible reasons for an employee to leave the organization. This research will help the organization or managementto study further on those areas and come out with creative/innovative action plans to makethe employees feel loyal, comfortable and make the organization an interesting place to work.This will certainly bring down the attrition level/ turnover and in future help management to reduce cost spent all through this process of recruitment to exit.

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