

## TO INVESTIGATE HOW HR POLICIES AFFECT EMPLOYEE RETENTION IN THE ORGANIZED RETAIL INDUSTRY

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### ABSTRACT

A retailer buys commodities or items in bulk from manufacturers or importers, either directly or through a wholesaler, and then sells them in smaller amounts or lots to the end-users or consumers. Purchasers might be individuals or organizations. Retailers play a crucial role in the overall distribution strategy used by manufacturers and marketers as the chain's final connection. The primary topic of this study is how performance management systems can improve organizational performance with regard to the retail sector. PMS is crucial for meeting the needs of various stakeholders and increasing organizational outcomes in terms of productivity and staff retention, in addition to employee assessment and development. Every retailer is aware of the estimated size of their personnel. Great human resources provide more products, interact authentically with customers, and serve as brand ambassadors both within the store and outside in their daily lives. However, some stores struggle with finding ways to inspire staff members and keep them engaged. "A motivated sales personnel is essential to the success of a firm. The relationships they build with consumers and clients are what enable a business to be established, both in terms of specific agreements and in terms of reputation and overall growth. The hiring process is the first step in creating a strong, convinced retail crew. The next challenge is to keep the chosen employees motivated and working hard after they have been hired and trained. Because inspired employees are more productive, it is the responsibility of the organization as a member of the retail administration group to motivate their staff. The performance management system's impact on retail organization performance is acknowledged by the study of its precursors and outcomes.

**KEYWORD:** *Retailer, Manufacturers, Importers, Employees, Performance Management*

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## **1. INTRODUCTION**

India's retail industry began when mom-and-pop stores and Kirana stores first appeared. These shops used to serve the community. Finally, the Khadi& Village Industries Commission provided assistance to numerous Indian franchise stores and supported rural retail. In the 1980s, as the economy started to open up, retail sales changed. Textile enterprises like Bombay Dyeing, S Kumar's, Raymond's, etc. were among the first to establish retail chains. Titan then began opening retail showrooms in the organized retail industry. The new participants transitioned from production to pure retail over time.

In India, outdoor markets or a variety of tiny grocers and shops are where most purchases are made. Customers typically wait outside the shop, inquire about what they want, and are unable to pick up or look at an item on the shelf. There is restricted access to the product's shelf or storage space. When the customer asks for the essential food item or the household item he needs, the seller goes to the container, shelf, or back of the store, pulls it out, and offers it for sale to the customer. Frequently, the seller can offer a different product in place of the one the customer requested, saying that it is comparable or same. In these small retail establishments, products typically do not have price tags; however, all packaged goods are required to display the maximum retail price (MRP), above which they may not be sold. Selling a product for more than its MRP is illegal. Basic foods and household goods can be priced arbitrarily by the trader, and two customers can pay different prices on the same day for the same item, but the price will never be greater than the maximum retail price. Rarely do the buyer and the seller bargain about the price. The majority of the time, consumers lack the time to read the product's label and the ability to compare similar products in-depth.

India currently holds the fifth-largest retail market in the world. The Indian retail sector, which consists of both organized and unorganized sectors, is one of the fastest-growing sectors, particularly in recent years. The retail sector in India was previously mostly unorganized, but as customer tastes and preferences have changed, the sector is now both becoming more popular and getting organized.

### **1.1 EMPLOYEE RETENTION**

The tactics and methods used by companies to keep their valuable employees and keep them from leaving their jobs are referred to as employee retention. Employees are an organization's most valuable resource. According to Mita (2014), one One way to characterize employee retention is as "a method embraced by organizations to retain their skilled workforce while simultaneously fulfilling operational needs." Bidisha (2013) defined it as "An approach wherein employees are incentivized to stay with the company for an extended duration, ideally until the completion of the project or endeavor." . The state government of Wisconsin's workforce planning (2015) states that Retention of staff is "A systematic initiative aimed at creating and nurturing an environment that encourages employees to stay within an organization by crafting policies and practices that address their diverse needs."

The term "retention" describes the intentional tactics used by businesses to keep their employees happy and engaged. This entails providing competitive pay, guaranteeing fulfilling employment, and fostering a supportive workplace culture. Because it guarantees that businesses have a continuously effective and productive workforce, employee retention is essential.

## **2. THE RATIONAL OF THE RESEARCH**

The results of the adoption of PMS toward the employees in the retail sector were the research's primary contribution. For the modern workplace, a performance management system is now necessary. One method that has a good impact on the workplace and service quality is the performance management system. The performance management system has a variety of problems, including a poor framework, a lack of respect for organizational culture, a reluctance to confront issues of poor execution, and time weight. This study will provide information on the necessity to manage employees' unethical attitudes in the workplace for method developers and legislators. As a result, it could be crucial for businesses to choose managers and staff who are appropriately familiar with the PMS standards. PMS are effective employee motivators. This could lead to an increased focus on customer satisfaction within the company itself. Firms, especially those recognized as having a strong reputation that treat their people fairly, may find success with customers by linking the organizational culture with the performance management system. Additionally, showing employees that you are happy and motivated may cause them to regard positive behavior favorably and make them less likely to engage in negative behavior.

### **3. OBJECTIVES OF THE STUDY**

1. To learn more about various HR policies and how they relate to employee retention.
2. To investigate how HR policies affect employee retention in the organized retail industry.

### **4. RESEARCH METHODOLOGY**

The researcher can choose the direction of their research effort in a variety of study fields with the aid of research methodology. The research methodology chapter focuses on the research methodologies that were used for the particular study's methodology. This comprises the study's goals, the research plan that informs how data will be collected, and the tools used for data analysis. Given that it can be a part of other, more sophisticated sampling techniques, simple random sampling is a fundamental sort of sampling. Every object has the same chance of being chosen, according to the simple random sampling concept. The researcher separated the population into two strata based on the organized and unorganized retail industries. Then, using the Simple Random Sampling method, a sample was chosen from each homogenous group or stratum of the Organized and Unorganised Retail industries.

700 questionnaires were given out in total, and 320 from Shoppers Stop and 320 from Lifestyle were returned, making 640 in all. 300 completed questionnaires from each chosen retail store were employed for the present investigation after these were scrutinized.

The study is based on primary and secondary retail sector survey data.

- **Primary Data**

The primary data were gathered from customers and staff of a chosen retail sector, Shoppers Stop & Lifestyle, in Jaipur, Rajasthan, using structured questionnaires and interviews. Both quantitative and qualitative data can be collected via structured surveys. Both questionnaires include different metrics for assessing how HR policies affect employee retention.

### **TOOLS OF DATA COLLECTION**

Employees in the retail industry were given the following three sections of a structured questionnaire:

The Respondents' Demographic Profile was covered in Section A.

A nominal scale with intervals between 1 and 5 was used to measure this.

Respondents' provided demographic information

1. Age
2. Gender
3. Marital Status,
4. Education,
5. Work Experience
6. Income

Human Resource Policies can be found under Section B.

Different Aspects of Employee Retention are presented in Section C.

This was assessed using a "5 point Likert scale" with intervals ranging from 1 = Never to 5 = Very Frequently. The respondents were then asked to rate several assertions on a "5 point Likert scale" with 1 denoting "strongly disagree," 2 denoting "disagree," 3 denoting "neutral," 4 denoting "agree," and 5 denoting "strongly agree." Testing of the scales' content and construct validity and reliability was done.

**STATISTICAL ANALYSIS TECHNIQUES**

The observation was made more accurate, practical, and convenient through statistical analysis. In order to analyze the data and test hypotheses, gathered data were aggregated based on the specified study dimensions. Two methods of statistical analysis have been used.

**5. RESULTS AND DATA ANALYSIS**

**DESCRIPTIVE ANALYSIS**

<b>Work</b>	<b>Below5years</b>	148	49.3	190	63.3
	<b>6-10years</b>	124	41.3	92	30.7
	<b>11-15years</b>	14	4.7	12	4

<b>experience</b>	<b>16-20years</b>	2	0.7	4	1.3
	<b>Morethan20years</b>	12	4	2	0.7
	<b>Total</b>	<b>300</b>	<b>100</b>	<b>300</b>	<b>100</b>
<b>Income</b>	<b>Below 10,000</b>	118	39.3	124	41.3
	<b>10,000to50,000</b>	170	56.7	154	51.3
	<b>50,000to1,00000</b>	2	0.7	14	4.7
	<b>1,00000Above</b>	10	3.3	8	2.7
	<b>Total</b>	<b>300</b>	<b>100</b>	<b>300</b>	<b>100</b>
<b>Marital status</b>	<b>Single</b>	146	48.7	192	64
	<b>Married</b>	154	51.4	108	36
	<b>Total</b>	<b>300</b>	<b>100</b>	<b>300</b>	<b>100</b>

**Kaiser-Meyer-Oklin (KMO):** KMO is used to gauge how adequate the sampling is. The study's values, which showed a 78 degree of freedom (df) and a 0.786, showed that the sample size was adequate for using factor analysis. KMO and Bartlett's Test have shown a significant value of less than 0.05 at the 95% confidence level

**Bartlett’s test of sphericity:** It was used to determine whether or not multi-collinearity existed. It ought to be there. We suppose that the null hypothesis should be rejected if it is not the "coefficient of correlation"/r. The existence of multi-collinearity is then acknowledged. Stated differently, it produced noteworthy findings that demonstrated a high degree of correlation between the scale's items. As a result, factor analysis of the provided data set was appropriate.

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.786
Bartlett's Test of Sphericity	Approx. Chi- Square	2195.026
	Df	78

	Sig.	0.000
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Source: Data compiled from the designed questionnaire

Three elements are the outcome of the EFA. It is employed when the factors we are trying to create are completely unconnected. Since the three answers explained 64.845 percent of the variance, which is more than 60%, the factor analysis test can be used with the 600 respondents' data.

<b>Total Variance Explained</b>						
<b>Component</b>	<b>Initial Eigen-Values</b>			<b>Rotation Sums of Squared Loadings</b>		
	<b>Total</b>	<b>% of Variance</b>	<b>Cumulative %</b>	<b>Total</b>	<b>% of Variance</b>	<b>Cumulative %</b>
1	4.482	34.480	34.480	4.478	34.446	34.446
2	2.139	16.454	50.934	2.109	16.219	50.665
3	1.808	13.911	64.845	1.843	14.180	64.845
4	0.999	7.687	72.532			
5	0.842	6.476	79.009			
6	0.752	5.787	84.796			
7	0.527	4.053	88.849			
8	0.402	3.092	91.941			
9	0.324	2.490	94.432			
10	0.274	2.111	96.543			
11	0.190	1.464	98.007			
12	0.177	1.365	99.372			
13	0.082	0.628	100.000			
Extraction Method: Principal Component Analysis.						

Source: Data compiled from the designed questionnaire

<b>Profiling of Dimensions Associated with Factors influencing employees to leave Retail Sector Rotated Component Matrix<sup>a</sup></b>				<b>Reliability</b>
<b>Statements</b>	<b>Components/ Factors</b>			
	1	2	3	
Workloads that were too heavy in retail sector is the reason for turnover	0.902			0.931
Vacations/Time off	0.887			
Autocratic management	0.856			
No Career opportunities	0.855			
Dissatisfaction with work/life balance is the reason for leaving the job.	0.844			
Better Salary	0.832			
Unusual working hours are the reason for changing jobs frequently		0.939		0.765
Lack of Training and Development opportunities are the reason for leaving the job		0.912		
Work life balance issue		0.576		
Working conditions			0.839	0.646
Conflicts/problems with supervisor is the reason for leaving the job			0.780	
Roster shift is the reason for leaving the job			0.552	
The mentality of the employer that employees are easily replaceable is the cause of turnover in retail sector?			0.345	



Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
fa. Rotation converged in 4 iterations.

**Source: Data compiled from the designed questionnaire**

## 6. CONCLUSION

In order for any firm to succeed, its human resources are crucial. A function known as "human resource management" deals with the workforce and concerns associated to their employment, such as compensation payments, talent pool hiring, performance management, and training and development. As a result, the organization's human resource management process is dynamic. It seeks to acquire qualified personnel for attaining the organization's goals and also ensures efficient usage of their working services. Any organization's ability to succeed is largely a function of the caliber of its workforce, as well as its policies and methods for inspiring its people resources. As a result, the organization must ensure that policies are applied effectively.

Employee satisfaction with their work and organization determines whether an organization succeeds or fails because they are its most valuable asset. The most challenging issue currently facing the majority of organizations is satisfying individual workers. Additionally, the market offers a variety of chances for qualified human resources, forcing employers to keep them happy and employed. Due to the diversity of employee personalities, needs, and expectations, there isn't a single retention plan or policy that can please every worker in the organization

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