

Attrition analysis – indian organized retail sector

Business



ATTRITION ANALYSIS – INDIAN ORGANIZED RETAIL SECTOR Employee

retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time and it benefits the organization as well as the employee. There seems to be a high level of attrition in the retail sector which is almost 40% according to a recent study especially the front end jobs are facing the high rate of attrition. As soon as the employees feel dissatisfied with the current employer or the job, they switch over to the next job. It is the responsibility of the employer to retain their best employees. A good employer should know how to pull towards and retain its employees.

Retention engages five major things. They are compensation, environment, growth, relationship and support. Currently, retention and motivation of employees has become the major concern of Human Resource people. The effective retention practices like congenial working atmosphere, support learning and training facilities, a highly competitive pay structure etc can be followed in the retailing sector. Employee retention would require a lot of efforts, energy, and resources but the results are worth it. While money is the main attraction for fresher, career satisfaction is the main reason with experienced personals.

Assigning the “ right project to the right person” is the organizational motto these days with companies setting up Manpower Allocation Cells (MAC) to carry out this agenda. Retailing is the sale of goods from a store in small lots for the direct consumption of the customer. Retail purchasers include individuals or businesses. Compensation comprises of the largest part of the employee retention process. The employees always have high anticipations

<https://assignbuster.com/attrition-analysis-indian-organized-retail-sector/>

regarding their compensation packages. So Compensation packages differ from industry to industry.

So an attractive compensation package plays a critical role in retaining the employees. Compensation includes salary and wages, bonuses, benefits, prerequisites, stock options, bonuses, vacations, etc. Looking at the current scenario, it could be said that there is an acute shortage of middle level management professionals in the Indian Retail Industry. The current trend is to hire from a smaller organization tempting the incumbent with a better pay package. It is imperative that suitable talent be hired in various areas such as technology, supply chain, logistics, product development and marketing in order to stay abreast of the hectic race for success among MNCs. Growth and development are the integral part of every individual's career.

If an employee can not foresee his path of career development in his current organization, there are chances that he'll leave the organization as soon as he gets an opportunity. The important factors in employee growth that an employee looks for himself are as follows: Training and development: Employees should be trained and given chance to improve and enhance their skills. Many employers fear that if the employees are well trained, they'll leave the organization for better jobs. Organization should not limit the resources on which organization's success depends. This improves their skills like communication skills, technical skills, customer satisfaction related skills and Special project related skills. Personal growth and dreams: Employees responsibilities in the organization should help him achieve his personal goals also.

Organizations can not keep aside the individual goals of employees and foster organizations goals. Employees' priority is to work for them and later on comes the organization. If he's not satisfied with his growth, he'll not be able to contribute in organization growth. A supportive work culture helps grow employee professionally and boosts employee satisfaction. To enhance good professional relationships at work, the management should keep the following points in mind. Employers can also support their employees by creating an environment of trust and inculcating the organizational values into employees.

Thus employers can support their employees in a number of ways like providing feedback, giving recognition and rewards, counseling them and also by providing emotional support. Relationship with the immediate manager: A manager plays the role of a mentor and a coach. He designs and plans work for each employee. It is his duty to involve the employee in the processes of the organization. So an organization should hire managers who can make and maintain good relations with their subordinates.

Relationship with colleagues: Promote team work, not only among teams but in different departments as well. This will induce competition as well as improve the relationships among colleagues. Recruit whole heartedly: An employee should be recruited if there is a proper place and duties for him to perform. Otherwise he'll feel useless and will be dissatisfied. Employees should know what the organization expects from them and what their expectation from the organization is. Deliver what is promised.

The employee should know that the organization is there to support him at the time of need. Show them that the organization cares and he'll show the same for the organization. An employee based culture may include decision making authority, availability of resources, open door policy, etc The process of retention is not as easy as it seems. There are so many tactics and strategies used in retention of employees by the organizations. The basic purpose of these strategies should be to increase employee satisfaction, boost employee morale hence achieve retention. But some times these strategies are not used properly or even worse, wrong strategies are used.

Because of which these strategies fail to achieve the desired results. There are many myths related to the employee retention process. These myths exist because the strategies being used are either wrong or are being used from a long time. These myths prevent the employer from successfully implementing the retention strategies. Some of the myths are given below: Employees leave an organization for more pay: Money may be the motivating factor for some but for many people it is not the most important factor.

Money matters more to the low-income-employees for whom it's a survival issue. Money can make an employee stay in an organization but not for long. The factors more important than money are job satisfaction, job responsibilities, and individual's skill development. The employers should understand this and work out some other ways to make employees feel satisfied. When employees leave, management tries to retain them by offering more money. But instead they should try to figure out the main reason behind it.

<https://assignbuster.com/attrition-analysis-indian-organized-retail-sector/>

Issues that are mainly the cause of dissatisfaction are organization's policies and procedures, working conditions, relationship with the supervisor and salary, etc Incentives can increase productivity: Incentives can surely increase productivity but not for long term. Cash incentives, volume work targets and speed awards are old management beliefs. They can generate work speedily and in volumes but can't boost employee commitment. Rather speed can hamper the quality of work produced. What really glues employees to their work and organization is quality work, meaningful responsibilities, recognition, respect, growth opportunities and friendly supervisors.

Employees run away from responsibilities: It is a myth that employees run from responsibilities. In-fact employees feel more responsible if they are given extra responsibilities apart from their regular job. Employees look for variety, greater control on the processes and authority to take decisions in their present job. They want opportunities to learn and grow. Management can assign extra responsibilities to their employees and appreciate them on the completion of these tasks. This will induce a sense of pride in the employee and will improve the relationship between the management and the employee.

Loyalty is a thing of the past: Employees can be loyal but what they need is an employer for whom they can be loyal. There is no reason for the employee to hop jobs if he's satisfied with the employer. Taking measures to increase employee satisfaction will be expensive for the organizations: The things actually required improving employee satisfaction like respect, career

growth and development, appreciation, etc. can't be bought. They are free of cost.

An employer or management that reacts well to the employee's ideas and suggestions is enough for the employees to be retained. Managing Employee

Retention The task of managing employees can be understood as a three stage process: Identify the cost of employee turnover, Understand why

employee leave, Implement retention strategies. The basic practices which should be kept in mind in the employee retention strategies are as follows: •

Hire the right people in the first place and Empower the employees like giving the employees the authority to get things done • Keep providing them

feedback on their performance • Make employees realize that they are the most valuable asset of the organization • Recognize and appreciate their

achievements • Provide them information and knowledge Ways to increase employee retention • A performance based bonus should be given to the

employees. A provision of performance linked bonus can be made wherein an employee is able to relate his performance with the company profits and hence will work hard. This bonus should strictly be productivity based. •

Implement Employee Rewarding Program.

A positive recognition for work boosts the motivational levels of employees.

Recognition can be made explicit by providing awards like best employee of the month or punctuality award. Project based recognition also has great

significance. The award can be in terms of gifts or money. Create an Open Communication among employees. A culture of open communication

enforces loyalty among employees.

Open communication tends to keep employees informed on key issues. Most importantly, they need to know that their opinions matter and that management is 100% interested in their input. • Implement a Career Development Program for Every individual is worried about his/her career. He is always keen to know his career path in the company. Organizations can offer various technical certification courses which will help employee in enhancing his knowledge.

Recreational facilities help in keeping employees away from stress factors. Various recreational programs should be arranged. They may include taking employees to trips annually or bi-annually, celebrating anniversaries, sports activities, et al. This paper focuses especially on employee retention programs. It looked at strategies for maximizing the chances of retention in retailing sector.

It also deals with the causes for retention, ways of managing and increasing employee retention.