

**“HRM Policies -- Influence on Employees’ Retention in
Retail Sector – A Study in Ghaziabad District”**

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Abstract :

The biggest challenge is to maintain our competitive advantage and to do that we need to maintain and continue to attract very high caliber people. The key differentiator on anything any company does is fundamentally the people, and I think that people tend to forget that they are the most important asset. Money is easy to get hold of but good people are not so easy. The retention of employees is a very challenging task for HR managers nowadays especially in retail sector.

Keywords: Retail Sector, Retention, HRM Policies and Practices.

Introduction:

It is very important to retain key employees who have gained so much knowledge while working in the organization. Employees have career aspirations and would like to have hands on in various departments. If these aspirations are not handled well then they are likely to shift the job as per their desire and capability. Company cannot afford to lose such employees and they place these employees in other functions, departments as their skills, knowledge and capability and retain the talent.

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The Retention of Employees has proved to be the most challenging function of HR Managers today. One finds them striving extremely hard in order to retain the best talent within the organization. But the big question remains, “Is it enough?” What is needed is a 360 degree approach to people management which would include not only hiring, but also training and development, self learning and career growth of employees. The organizations will have brilliant people and the key is to manage such brilliant people. Innovation of HR retention strategies is the key today.

Today, no market is more competitive than the market for employees. The challenge for organizations is not only to make potential employees aware of their company as a good place to work, and bring the best applicants successfully through the recruitment and hiring process, but to retain them, ensure their understanding of the company’s goals and commitment to them, and provide the environment and structures to motivate them to give of their best. There has been an established truth that efficient and well-trained employees are company’s key assets. Retail selling means dealing and serving customers in a direct and personal way. This force for special actions from retail companies to fulfill the demands of an increasing number of well-informed and sophisticated buyers. In view of all the changes in both national and international contexts, it is essential to have the efficient work force if a business wants to be successful and sustainable.

Retail sector is a labor-intensive sector. Therefore, companies are continually challenged to re-organize and adapt their structures to become more efficient. The necessity for part-time workers, because of long store opening hours and peaks in the trading day/week, requires a flexible framework to optimize labour processes. Emotionally, the workforce needs orientation and vision in changing times. Human resource management (HRM) has to provide a “coach,” not only to organize, but also to support employees and management mentally and professionally in fulfilling their tasks in terms of future company goals. People are the driving force behind all transactions that occur in retailing outlets. In the future world of retailing, there will be an increasing need to adapt and change towards a more formative and proactive style of HRM.

Literature Review

In developed and emerging countries, Attraction and retention of employees is of the most desired practice and competence of the high performance organizations. Search for best talent will be very difficult in coming years. Retention can be possible by many ways but one of the most used in organizations is pay more than they are earning.

D. Maheswara Reddy and Suresh Chandra(2011) From the study it was found that, right from new hire to orientation period, there are many differences in the implementation of HR practices in the selected organized retailers. The satisfaction levels of various performance appraisal measures adopted in the selected retail outlets showed that the employees are not only favoured to the incentive plan but also the healthy environment and close relations between the peers are playing vital role for their performance.

Friedman (2006) explained that new comers in the organization did not take much time to decide whether to proceed with the current organization or quit to and find some other workplace and this decision normally is made in few days or week after appointment.

Gentry et al., (2007) argued that employees feel connected with the organization if they get support from their supervisors, which lead them to return the favor to the supervisors, and organization through retention.

Select references pertaining to the research papers on HRM practices in organized retailing are presented here.

Ashok Som (2006) in the paper titled “Bracing for MNC competition through innovative HRM practices: The way ahead for Indian firms” has concentrated on the emergence of Multinational companies in the organized retailing in India. Further, the paper has concentrated on the impact of MNC competition on Indian retail firms. The author has supported the need for innovative HRM practices by the Indian firms to tackle with the competition from Multinational companies. The author has concluded that unless the Indian firms implement innovative HRM practices, the MNCs will tap the market and this will become a huge threat to the future development of growth by the Indian retail firms.

Anand and Sen (2000) The sustainable improvement of the organization is adopting an increasingly far strategy, in its endeavor for accomplishing a long haul objectives and destinations which the organization meant to accomplish inside an explicit period, the long haul input guided on the organization to produce yield in connection to the organizational objective and targets, is an unmistakable transaction of the sustainable human resource management and the organizational performance, the develop of sustainable human resource management speaks to the sources of info that is coordinated to the organization with view for a normal outcome and the build of organizational performance speaks to the yields of the development, expected by the principal construct of sustainable human resource management.

Bansal (2005) expressed that executing a sustainable plan of action is not the same as have sustainable corporate social dependable exercises. CSR is only one element of a sustainable plan of action. He likewise advanced a resource subordinate hypothesis to clarify sustainability. As indicated by this hypothesis, organizations naturally are reliant on the resources. The resource might be as nature, human and different components. Consequently, it is the duty of an organization to offer back to the general public and the general population. This can be cultivated just by keeping up a sustainable plan of action.

Chakraborty D.(2007) in the article titled 'Indian Retail sector – HR challenges' has critically examined the practices of human resources for the management of retail organizations. The article has analyzed the evolution and growth of Indian retail sector with special reference to organized retailing. The article has further focused on the emerging dimensions in retail sector with a special focus on HR challenges.

Chaubey et al (2017) expressed that job satisfaction is the contentment which an employee feels in connection to their employments and work place. It brings the inquiry, regardless of whether the employee is cheerful or content at their occupations. An employee might quantify their fulfillment in monetary, non-money related or psychological contract terms. Job satisfaction level dimensions of individuals run from outrageous disappointment to extraordinary fulfillment. Individuals additionally forces different angles dispositions seeing their employments, for example, sort of occupation done, measure of pay, associates subordinates and administrators.

Chinomona&Sandada (2013) mentioned that sharing common objectives empowers employees to guide their endeavors to the accomplishment of that specific objective, yet for that to occur there ought to be relationship and coordinated effort among employees. Sharing common objectives can decidedly affect employee execution and organizational results.

Singh B.D. et al.(2008) in their study on HR challenges in Indian retail sector has revealed that rising retail industry in India is especially providing great scope and challenges to the HR front. Further, the study evaluated that the growing industry requires many strong back up of Human Resources hence the HR department s must act pro-actively to attract, nurture and retaining trained manpower.'

Chapman (2009) explained that it is the responsibility of senior employees to help new employees to familiarize and socialize with the environment of the organization and make them best fit for the organization.

B.B.Lakshete (2011) in the article titled "Human Resource Management in Retailing" studied on the scope of HRM in retailing sector. Further, the paper also focused on the challenges and usefulness of HRM in retailing. The paper concluded that HR challenges when taken care of by the organization are bound to make a difference to the organizational success.

Research Gap

In India, sudden and unprecedented growth in organised retailing poses a challenge to human resources development. Therefore, it would be useful to look at the dimension of human resource practices in retail industry, emerging requirements and challenges and measures to improve work atmosphere in Indian scenario.

It has been observed that maximum of the earlier researcher had focused and emphasized only on the employer side reflections of the HR policies and practices.After detailed analysis researcher found a gap that challenges and impact of the HR policies and practices towards the employees' retention in retail sector. Moreover, there is any study covering all the aspects of HR policies and their impact on the **employees' satisfaction and Retention**. Therefore, there is enough scope of the research in this area.

Research Questions

1. What are the various HR practices followed by the organizations?
2. Whether HR and organizational practices affect employee retention?
3. Which are the various problems and challenges ahead for HR managers in the implementation of HRM practices in retail stores?
4. What is employees' perception towards motivational process implemented in retail business?

Research Objectives :

The **main objective of the research is to study the human resource management practices pursued in the retail stores.** Other objectives of the research are:

1. To study the retailer wise employee satisfaction on the various HRM practices employed in the retail outlets.
2. To know the impact of the motivational policies
3. To study the impact of the promotional policies
4. To study whether HR and organizational practices affect employee retention

Hypotheses:

Hypothesis 1 There is no significant association between Motivational Techniques and Retention of the Employees'.

Hypothesis 2 There is no significant association between Mode of Promotion and Retention of the Employees'.

Hypothesis 3 There is no significant association between Performance Appraisal system and Satisfaction with the job.

Research Methodology

The present research is an empirical one. The survey for the present research is conducted through primary data with the help of a questionnaire surveyed to employees of select organized retailers. The sample taken for the study consisted of 120, which include employees from the select retail outlets situated in Ghaziabad Distt.

Sample Size:120 respondents out of which 60 are male and60 female.For data collection random sampling will be adopt on theground of cost and time effectiveness.

Data Collection

Since the research is exploratory in nature, the appropriate research strategy had been research survey. The present study is mainly based on the primary data had been collected with the help of structured questionnaire and interview and other relevant data had been collected from some secondary and tertiary sources.Both types of data i.e., secondary and primary data have been used in the present study. The secondary data was collected at first form the textbooks, previous research reports, newspapers, magazines and journals.

Results and Analysis

Demographic analysis of the Respondents

Table 1: Demographic characteristics of Respondents

	Variables	Frequency	Percent (%)
Gender	Male	60	50%
	Female	60	50%
Age Group	20-25 years	45	37.5%
	25-30 years	38	31.7%
	30-40 years	22	18.3%
	Above 40	15	12.5%
Educational Status	SSC/ 12 th	33	27.5%
	U. G.	57	47.5%
	P.G.	30	25%
Marital status	Married	70	58.3%
	Unmarried	50	41.7%
Designation or Job Profile	Sales Executive	45	37.5%
	Team Member/ Leader	25	20.8%
	Store Manager (SM/ASM)	15	12.5%
	Management Trainee/ Trainee	20	16.7%
	Cashier / Accountant	15	12.5%
Salary per month	Up to Rs. 20,000 p.m.	37	30.8%
	Rs. 20,000-30,000 p.m	39	32.5%
	Rs. 30,000-50,000 p.m	29	24.2%
	Above Rs. 50,000 p.m	15	12.5%

Source: Field Survey

Interpretation :

Above table is showing that 50% of the respondents are male and 50% are female. About 69% (37.5+31.7) respondents belong the age up to 30 years, majority of the respondents about 58% are married. About 72% (47.5+25) respondents have graduate or post graduate level degrees, about 58%(37.5+20.8)respondents are related to the sales or marketing group and majority of the respondents about 62%(30.8+32.5) are getting salary up to 30,000 Rs. per month.

Hypotheses 1 There is no significant association between Motivational Techniques and Retention of the Employees'.

Table 2: Effective mode of Motivation * Do you want to change ? Cross-tabulation

Effective mode of Motivation		Do you want to change ?				Total
		1 Job	2 Group/ Company	3 Sector	4 Don't want to change	
1 Salary Increment	Count	8	7	4	27	46
	% within Effective mode of Motivation	17.4%	15.2%	8.7%	58.7%	100.0%
	% within Do you want to change	44.4%	46.7%	36.4%	35.5%	38.3%
2 Commission on Sales	Count	0	2	1	26	29
	% within Effective mode of Motivation	.0%	6.9%	3.4%	89.7%	100.0%
	% within Do you want to change	.0%	13.3%	9.1%	34.2%	24.2%
3 Annual Bonus	Count	3	0	4	9	16
	% within Effective mode of Motivation	18.8%	.0%	25.0%	56.3%	100.0%
	% within Do you want to change	16.7%	.0%	36.4%	11.8%	13.3%
4 Special leave or holidays	Count	5	4	2	5	16
	% within Effective mode of Motivation	31.3%	25.0%	12.5%	31.3%	100.0%
	% within Do you want to change	27.8%	26.7%	18.2%	6.6%	13.3%
5 Less working hours	Count	2	2	0	9	13
	% within Effective mode of Motivation	15.4%	15.4%	.0%	69.2%	100.0%
	% within Do you want to change	11.1%	13.3%	.0%	11.8%	10.8%
Total	Count	18	15	11	76	120
	% within Effective mode of Motivation	15.0%	12.5%	9.2%	63.3%	100.0%
	% within Do you want to change	100.0 %	100.0%	100.0%	100.0%	100.0%

Table 3: Chi-Square Tests
Chi-Square Tests

	Value	df	Asymp.Sig. (2-sided)
Pearson Chi-Square	25.514(a)	12	.013
Likelihood Ratio	31.157	12	.002
Linear-by-Linear Association	1.132	1	.287
N of Valid Cases	120		

a 13 cells (65.0%) have expected count less than 5. The minimum expected count is 1.19.

INTERPRETATION :

Table 2-3 showing the association between **Effective mode of Motivation and Retention of the Employees**. Pearson Chi-Square (χ^2) value is **25.514** and the degree of freedom (**df**) is **12**. At the 5 % level of significance the table value is **21.026**. The resulted will be reported as:

Since the Chi-Square (χ^2) value is **25.514 > 21.026** higher than the table value, therefore, the above hypothesis H_1 is wrong or rejected *i.e.* There is highly significant association between **Effective mode of Motivation and Retention of the Employees**.

In other words we can say that variables are not independent of each other i.e. Effective modes of Motivation have an highly positive impact on Retention of the Employees on the job.

Hypotheses 2 There is no significant association between Mode of Promotion and Retention of the Employees’.

Table 4: Mode of Promotion * Do you want to change ? Cross-tabulation

Mode of Promotion		Do you want to change ?				Total
		1 Job	2 Group/ Company	3 Sector	4 Don't want to change	
1 Seniority	Count	9	3	4	19	35
	% within Mode of Promotion	25.7%	8.6%	11.4%	54.3%	100.0%
	% within Do you want to change ?	50.0%	20.0%	36.4%	25.0%	29.2%
2 Merit/ Performance	Count	3	8	3	26	40
	% within Mode of Promotion	7.5%	20.0%	7.5%	65.0%	100.0%
	% within Do you want to change ?	16.7%	53.3%	27.3%	34.2%	33.3%
3 Both seniority & Performance	Count	4	3	4	16	27
	% within Mode of Promotion	14.8%	11.1%	14.8%	59.3%	100.0%
	% within Do you want to change ?	22.2%	20.0%	36.4%	21.1%	22.5%
4 No promotion	Count	2	1	0	15	18
	% within Mode of Promotion	11.1%	5.6%	.0%	83.3%	100.0%
	% within Do you want to change ?	11.1%	6.7%	.0%	19.7%	15.0%
Total	Count	18	15	11	76	120
	% within Mode of Promotion	15.0%	12.5%	9.2%	63.3%	100.0%
	% within Do you want to change ?	100.0%	100.0%	100.0%	100.0%	100.0%

Table 5: Chi-Square Tests

	Value	df	Asymp.Sig. (2-sided)
Pearson Chi-Square	11.913(a)	9	.218
Likelihood Ratio	13.170	9	.155
Linear-by-Linear Association	2.651	1	.104
N of Valid Cases	120		

a 9 cells (56.3%) have expected count less than 5. The minimum expected count is 1.65.

INTERPRETATION :

Table 4-5 showing the association between **Mode of Promotion and Retention of the Employees**. Pearson Chi-Square(χ^2) value is **11.913** and the degree of freedom (**df**) is **9**. At the 5 % level of significance the table value is **16.919**. The result will be reported as:

Since the Chi-Square(χ^2) value is **11.913 < 16.919** the table value, therefore, the above hypothesis H_2 is correct or accepted *i.e.* There is no significant association between **Mode of Promotion and Retention of the Employees**.

In other words we can say that variables are independent of each other i.e. Modes of Promotion have no impact on Retention of the Employees on the job.

Hypothesis 3 There is no significant association between Performance Appraisal system and Satisfaction with the job

Table 6: Are you satisfied with the performance appraisal system? * Are you over all satisfied with this job? Cross-stabulation

Are you satisfied with the performance appraisal system?		Are you over all satisfied with this job?					Total
		1 Very much satisfied	2 Satisfied	3 Satisfied to some extent	4 Dissatisfied	5 Very much dissatisfied	
1 Very much satisfied	Count	5	11	7	1	2	26
	% within Are you satisfied with the performance appraisal system?	19.2%	42.3%	26.9%	3.8%	7.7%	100.0 %
	% within Are you over all satisfied with this job?	29.4%	19.6%	33.3%	5.9%	22.2%	21.7%
2 Satisfied	Count	4	32	7	1	0	44
	% within Are you satisfied with the performance appraisal system?	9.1%	72.7%	15.9%	2.3%	.0%	100.0 %
	% within Are you over all satisfied with this job?	23.5%	57.1%	33.3%	5.9%	.0%	36.7%
3 Satisfied to some extent	Count	3	7	6	0	0	16
	% within Are you satisfied with the performance appraisal system?	18.8%	43.8%	37.5%	.0%	.0%	100.0 %
	% within Are you over all satisfied with this job?	17.6%	12.5%	28.6%	.0%	.0%	13.3%
4 Dissatisfied	Count	5	6	1	14	1	27
	% within Are you satisfied with the performance appraisal system?	18.5%	22.2%	3.7%	51.9%	3.7%	100.0 %
	% within Are you over all satisfied with this job?	29.4%	10.7%	4.8%	82.4%	11.1%	22.5%
5 Very much dissatisfied	Count	0	0	0	1	6	7
	% within Are you satisfied with the performance appraisal system?	.0%	.0%	.0%	14.3%	85.7%	100.0 %
	% within Are you over all satisfied with this job?	.0%	.0%	.0%	5.9%	66.7%	5.8%
Total	Count	17	56	21	17	9	120
	% within Are you satisfied with the performance appraisal system?	14.2%	46.7%	17.5%	14.2%	7.5%	100.0 %
	% within Are you over all satisfied with this job?	100.0%	100.0%	100.0%	100.0%	100.0%	100.0 %

Table 7: Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymp.Sig. (2-sided)
Pearson Chi-Square	123.123(a)	16	.000
Likelihood Ratio	89.039	16	.000
Linear-by-Linear Association	22.727	1	.000
N of Valid Cases	120		

a. 18 cells (72.0%) have expected count less than 5. The minimum expected count is .53.

INTERPRETATION :

Table 6-7 showing the association between **Performance Appraisal system and Satisfaction with the job**. Pearson Chi-Square(X^2) value is **123.123** and the degree of freedom (**df**) is **16**. At the 5 % level of significance the table value is **26.296**. The result will be reported as:

Since the Chi-Square(X^2) value is **123.123 > 26.296** higher than the table value, therefore, the above hypothesis H_3 is wrong or rejected *i.e.* There is highly significant association between **Performance Appraisal system and Satisfaction with the job**.

In other words we can say that variables are not independent of each other i.e. Performance Appraisal system have an highly positive impact on Satisfaction with the job.

Findings of the study

The human resource management practices are playing a vital role for the growth or success of any business. From the study, it was found:

1. Effective Mode of Motivation : Result of the hypothesis 1 shows that the motivation policies have a great impact on the satisfaction and Retention of the employees. The majority of the respondents want the increment in salary and commission on sales as way of motivation. Only few are interested in other

modes as special leave or holidays and reduction in working hours. Therefore, the financial benefits are most effective mode of motivation.

2. Promotion Policies : Result of the hypothesis 2 shows that Modes of Promotion have no impact on Retention of the Employees on the job. Majority of the respondents stated that the important thing is to get promotion and no matter what is the basis of promotion. They are ready and motivated to work hard if their workings are appreciated and they got promotion timely.

3. Performance Appraisal system : Result of the hypothesis 3 shows that the Performance Appraisal system have an highly positive impact on overall Satisfaction with their present job. Satisfaction levels of various performance appraisal measures adopted in the selected retail outlets showed that the employees are not only favored to the incentive plan but also the healthy environment are playing vital role for their performance.

Scope for Further Research :

This study is subject to a number of limitations and provides scope for further research. Major limitation is the sample size of 120 respondents may not represent the universe fully. Self-reported data of respondents was used. A potential survey bias could not be excluded since respondents' perception and answers are not necessarily objective. There is scope for further research with other districts and states with different sample size to identify the actual status of the retail sector and HR policies and practices adopted. The research also recommends that a deep study should be carried out to establish the challenges encountered while implementing the HR policies among its employees and their possibility to effectively perform. Different types of business sector or modes can be taken as research area to have a depth study and a wider perspective of impacts of HR policies.

CONCLUSIONS

The human resources of the organization create value; the manager needs to understand the fundamental issues concerned with acquisition, development,

motivation, and retention of effective people in organization to deliver results. Employee motivation policies must be prepared as they effect on the decision to remain with the organization for the long time and the management should focus on the improvement of organizational rewards system.

It is very important to keep a track of people who are motivated by money. Often people tend to switch fast if they are not offered raises, bonuses, and other options. No matter how great is the growth and development, if it is not being well complemented by a corresponding raise in salary the employee may leave soon! It is only during recruitment that such employees can be tracked easily. It is the interview feedback database that helps in making an assessment of what motivates whom. Past Experience or Average Tenure with Other Organizations. From the survey, it is found that employees are satisfied and committed to their jobs. This commitment increases the performance of their employees and motivates them to remain in the present organization for a long time, hence productivity of the organization.

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