

A STUDY ON EMPLOYEE RETENTION STRATEGIES IN TEXTILE INDUSTRY

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ABSTRACT

In recent scenario, employee retention has become a serious and perplexing problem for all types of organization. The study explores to identify the key factors influencing the attrition and retention strategies of employees in the textile industry. The data was collected from 73 employees in the industry. The questionnaire forms the basic source of primary data, while secondary data was collected through books and through online journals, magazines, project report. The data collected was analyzed using Percentage Analysis, Chi square, One way Anova, Friedman Test, Kruskal Wallis Test and to establish relationship between different variables. It was found that there is a significant difference between mean ranks towards the perception factors impacting to retain the employees at textile industry. Researchers have also observed that employees can be retained in the organization with the help of employee retention program like employee mentoring followed by On boarding, Stay interview, High potential program and Exit interview.

Keywords: Retention Strategies, Employee Retention, Attrition, Textile Industry and HR policy.

I. INTRODUCTION

1.1 INTRODUCTION

- HERMAN defines Employee retention as “Employee retention is the conscious and deliberate effort to retain quality individuals on the company payroll. Stated otherwise, it is the proactive methods utilized by successful organizations to stop the drain of company profits caused by excessive employee turnover”.
- Employee retention refers to the ability of an organization to retain its employees. Employee retention can be represented by a simple statistic (for example, a retention rate of 80% usually indicates that an organization kept 80% of its employees in a given period). However, many consider employee retention as relating to the efforts by which employers attempt to retain the employees in their workforce. In this sense, retention becomes the strategies rather than the outcome.

EFFECTS OF EMPLOYEE RETENTION

- The cost of turnover.
- Loss of company knowledge.
- Interruption of customer services.
- Turnover leads to more turnovers.
- Goodwill of company.
- Regaining efficiency.

Companies that lose top performers may not only experience declines in productivity but also incur significant costs in replacing these professionals.

REASONS EMPLOYEE LEAVE THE ORGANIZATION

Job is not what employee expected.

Compensation.

No growth opportunities.

New job offers

Lack of appreciation.

Job and person mismatch

Lack of trust and support.

For higher education.

Stress from overwork.

Misguidance by the company.

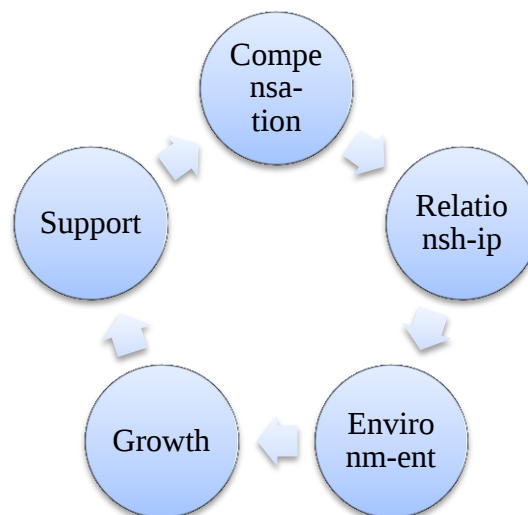
Opportunities overseas for significantly compensation.

Uneasy relationship with peers or managers.

RETENTION STRATEGIES THAT ORGANIZATION USE:

1. Training
2. Effective mentoring
3. Challenges
4. Autonomy
5. Good relationships
6. Good monetary package

EMPLOYEE RETENTION INVOLVES FIVE MAJOR THINGS



IMPORTANCE OF EMPLOYEES RETENTION

- Manage Employee Turnover
- Cost Effective
- Maintain Performance and Productivity
- Enhances Recruitment
- Increases Morale

1.2 STATEMENT OF THE PROBLEM

Employee retention is the biggest challenge that HRM is facing today. Retention and attrition are the buzz words in the textile industry at Global level in general and in India in particular. Unlike other industries, the textile Industry employs high skilled workers also known as 'knowledge workers'. Knowledge workers are assets of the company because knowledge is the source of profit and sustainable competitive advantage. Hence, retaining these knowledge workers is vital for companies in today's fast changing environment. Textile industry are facing a lot of problems relating employee retention now a day. As employees are the most precious and important asset of an organization, so, organization should take measures to encourage employees to stay in the organization for the maximum period of time or until the

completion of the project. It is because when an employee leaves an organization then it incurs a huge loss and an unbalanced situation to the internal environment of the organization. So, based on the above discussion, the study aims to identify the factors which influence the retention of employees working in the textile workshops and the impact of Job security, Job satisfaction, Work-life balance and Compensation on retention of employees in the textile industry.

1.3 OBJECTIVE OF THE STUDY

PRIMARY OBJECTIVE

- A study on Employee Retention Practices with reference to textile industry.

SECONDARY OBJECTIVES

- To examine the perception of employees towards various employee retention strategies of textile industry
- To determine and rank the factors impacting to retain the employees at textile industry
- To study the strategies and techniques for retaining the employees at textile industry
- To find employees overall satisfaction in the organization with relation to work environment culture.

1.4 NEED OF THE STUDY

Research on retention strategies is of great importance to the organizations as it provides a new dimension in understanding and dealing attrition. The problem of attrition has widened the scope of Employee Retention and its implications on organizational effectiveness. It is very important to retain those employees who work hard for the organization and who is indispensable for the system. Since there has been increased amount of attrition taking place in both Manufacturing and firms, retaining such employees is a challenge to the Employer. Attrition may be due to several reasons like new opportunities available elsewhere and lack of support in the present organization. The major problem in retaining the performing employees in their jobs and with the organizations for relatively longer period is a testing time for the employers. They need to use all skills and intelligence in keeping the attrition rate low.

The research on retention strategy finds great importance as it would be able to contribute significantly to understand how to hold and retain the experienced employees so that his expertise and knowledge, wisdom and learning is not migrated out of organization, to its competitors. Organizations spend quite a lot of money in the process of recruiting and employing right individuals. The level of attrition rate these firms indicate the relevance in finding new models in retention strategy. Attrition is a much-spoken problem in the organizations and the employee is migrated to an outside world along with his experience, skill, he/ she has earned in his long years of service, his knowledge, and his loyalty. The company secrets and formulas are poached by the competitors. The study of retention is also useful for the policy making top- level CEO's and HR managers, executives and assistants for redesigning their HR policies and systems related to retention strategy. Since the problem of attrition is universal in nature any number of studies in this area would gain lot of significance in the current day context.

1.5 SCOPE OF THE STUDY

A Study on employee retention describes the commitment of the textile industry in attracting and retaining the employees who are talented, innovative and dedicated to excellence with respect to the response from the executives.

- This survey helps us to know the satisfaction level of the employees for the retention policy offered by textile industry.
- The project describes the level of standard in regards to the motivation which is being offered to the employees in the textile industry.
- The main scope of finding out key areas where the employees is most satisfied and dissatisfied.
- The scope of the present report is to study factors like salary, superior – subordinate relationship, growth opportunities, facilities, policies and procedures, recognition, appreciation, suggestions, co-

workers by which it helps to know the retention level in the organizations and factors relating to retain them.

II. REVIEW OF LITERATURE

Nappinnai and Premavathy, (2017) carried a study on Employee attrition and retention in the global scenario. They suggested that managing people is an art and skill. If an organization manages people, the purpose of retention is fulfilled. And it is high time that the organizations should realize the importance of employee retention and try to reduce attrition. It carried out a study to explore the executive's opinion on the different attributes of employee retention, Such as reward, supervisor support, career opportunities, work environment and work life balance. The results revealed a positive but weak relationship of executives' opinion towards the various attributes of retention i.e., job satisfaction, working environment, age, gender, rewards, recognition and growth. Further the authors concluded that abundance of job opportunities elsewhere and labor mobility were the key challenges for the organizations in retaining employees. The organizations should concentrate on team building activities as an affordable and effective way to improve the working environment and motivate employees in employee retention.

Pandian, (2016) carried out a study about factors which are involved in employee retention. The results suggested that Superior –subordinate relationship should be improved; more opportunities must be provided for growth of career, increase the level of satisfaction among employees by providing benefits and finally the strategies on employee retention must be framed in a creative way.

Neeraj, (2015) carried out a study to analyze the various factors that would affect level of retention within the organization. This study was based on the secondary data available. The results revealed that Recruitment and Selection by Expert Committee and trying to hire new recruits through old employee, Employee Engagement, providing continuous feedback, providing salary and other benefits: like Employee Stock Option Plans, maintaining transparency and prospective career growth, Effective Training and developing Leadership programs, open and rewarding organization culture are the retention strategies that are helpful for an organization in CDM environment.

III. RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

A research design is purely and simply the framework or plan for a study that guides the collection and analysis of data. It is a blue print that is followed in completing a study.

Descriptive Research Design

Descriptive research design includes surveys and fact findings, enquires of different kinds. The major purpose of Descriptive research is description of state of affairs, as it exists at present.

3.2 SAMPLING METHODOLOGY

a) Population:

The study of various characteristics relating to items \ individual belong to a particular group is called as population. The population of the study consists of the different employees working in textile industry.

b) Sampling frame:

The frame describes the population in terms of sampling units. Samples are drawn from lists are called as sources lists \ sampling frames. The source list of existing employees were provide by the company along with respondents details are given.

c) Sampling Unit:

It is a set of elements considered for selecting a sample. In this research, we have taken survey from Employees working in the textile industry.

d) Random Sampling

A method of selecting a sample (random sample) from a statistical population in such a way that every possible sample that could be selected has a predetermined probability of being selected.

e) **Sample Size:** A total of 73 respondents were chosen for the study.

3.3 DATA COLLECTION METHODS

➤ **Primary Data**

Primary data are generated by a study specifically designed to accommodate the needs of the problem at hand. The methods used were direct survey from the employees of textile industry.

➤ **Secondary Data**

Secondary data are those, which are not collected specifically for solving the problem currently being investigated. Here secondary data were collected from the records available in the company website, magazines, books, journals, periodical reports of the company and through the internet.

DATA COLLECTION RESEARCH INSTRUMENT:

Questionnaire: A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. It is a device for securing answers to questions by using a form which the respondent fills by himself.

PILOT STUDY:

The term 'pilot studies' refers to mini versions of a full-scale study (also called 'feasibility' studies), as well as the specific pre-testing of a particular research instrument such as a questionnaire or interview schedule. A pilot study consists of 10 sample size were carried out which shows the research instrument is found to be more reliability and validity.

3.4 HYPOTHESIS & STATISTICAL TOOLS

Hypothesis 1: There is no association between employee's perception towards Promotion and gender of the employee.

Hypothesis 2: There is no significant difference between mean ranks towards the perception factors impacting to retain the employees at textile industry.

Hypothesis 3: There is no significant difference between Strategic techniques for retaining employee's and age of the Employee offered by textile industry.

Hypothesis 4: There is no significant difference between the satisfaction level towards Working Environment and Marital status of the employees.

3.5 STATISTICAL TOOLS:

1. Percentage Analysis
2. Reliability Test
3. Chi – square test.
4. Kruskal-Wallis Test/H-test.
5. One Way Anova Analysis.

3.6 LIMITATIONS OF THE STUDY

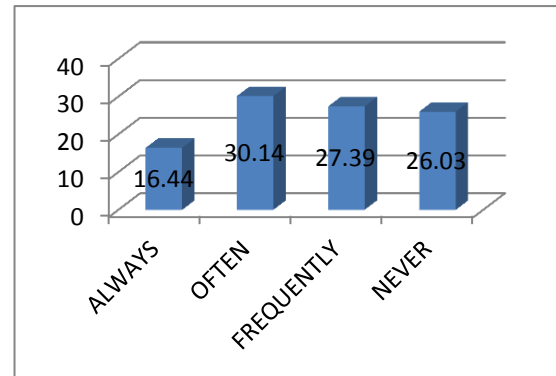
- ❖ The study engrosses only a part of employees in textile industry.
- ❖ Employees were busy in their work so they did not spend much time in respond openly to the question asked.
- ❖ Due to time constraint the in-depth study could not be conducted.
- ❖ Inadequate disclosure of information is also the problem.

IV. DATA ANALYSIS AND INTERPRETATION

4.1 PERCENTAGE ANALYSIS

4.1.1 TABLE AND CHART SHOWING EMPLOYEE'S RETENTION WHICH HELPS THE DEVELOPMENT OF THE FIRM

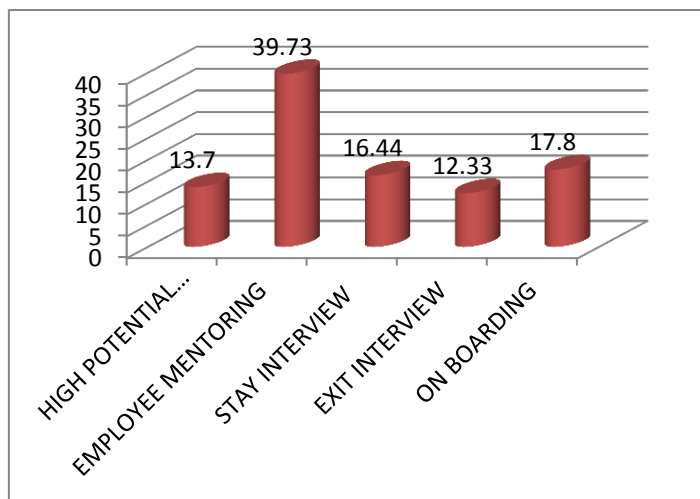
PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
Always	12	16.44
Often	22	30.14
Frequently	20	27.39
Never	19	26.03
Total	73	100



INFERENCE: From the above table it is inferred that 16.44% of respondents have told Always, 30.14% of respondents have told Often, 27.39% of respondents have told frequently and 26.03% of respondents have told never for the employee's retention which helps the development of the textile industry.

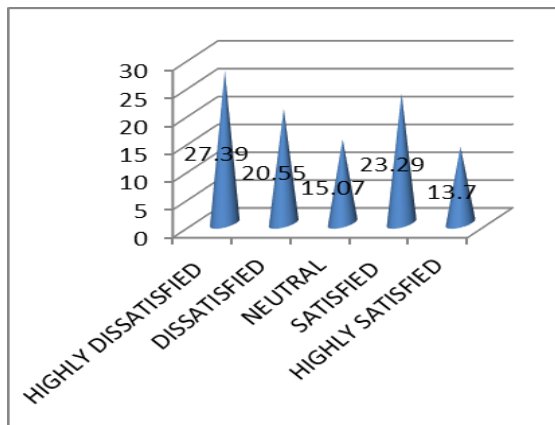
4.1.2 TABLE AND CHART SHOWING MAINTAINENCE OF EMPLOYEE RETENTION PROGRAMS IN THE FIRM

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE
HIGH POTENTIAL PROGRAM	10	13.70
EMPLOYEE MENTORING	29	39.73
STAY INTERVIEW	12	16.44
EXIT INTERVIEW	9	12.33
ON BOARDING	13	17.80
TOTAL	73	100



INFERENCE: From the above table it is inferred that 13.70% of respondents have agreed for High Potential Programs, 39.73% of respondents have agreed for Employee Mentoring, 16.44% of respondents are agreed for Stay Interview and 17.80% of respondents are agreed for the On Boarding for the maintenance of employee retention program in the textile industry.

4.1.3 TABLE SHOWING LEVEL OF EMPLOYEE'S SALARY STRUCTURE IN THE FIRM

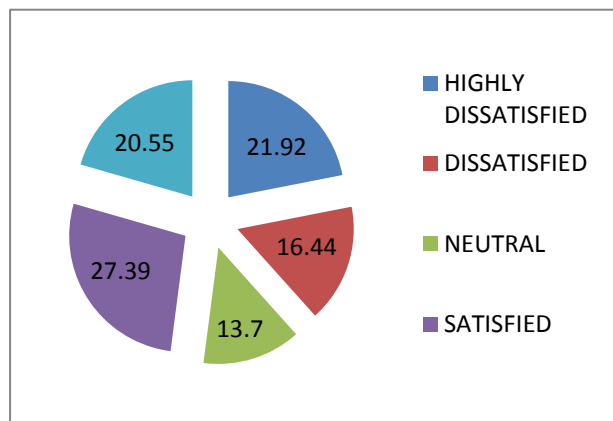


Particulars	No of respondents	Percentage
Highly dissatisfied	20	27.39
Dissatisfied	15	20.55
Neutral	11	15.07
Satisfied	17	23.29
Highly satisfied	10	13.70
TOTAL	73	100

INFERENCE: From the above table it is inferred that 27.39 % of respondents are Highly Dissatisfied, 20.55 % of respondents are dissatisfied, 15.07% of respondents are neutral, 23.29% of respondents are satisfied and 13.07% of respondents are highly satisfied for the Salary Structure in the textile industry.

4.1.4 TABLE SHOWING EMPLOYEE'S JOB SECURITIES IN THE FIRM

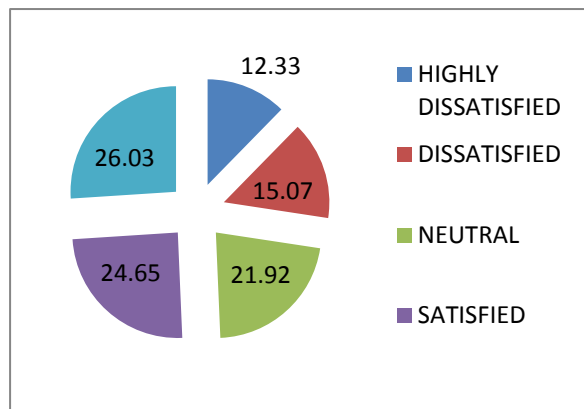
Particulars	No of respondents	Percentage
Highly dissatisfied	16	21.92
Dissatisfied	12	16.44
Neutral	10	13.70
Satisfied	20	27.39
Highly satisfied	15	20.55
TOTAL	73	100



INFERENCE: From the above table it is inferred that 21.92% of respondents are highly satisfied, 16.44% of respondents are dissatisfied, 13.70% of respondents are neutral, 27.39% of respondents are satisfied and 20.55% of respondents are highly satisfied for the job securities in the textile industry.

4.1.5 TABLE SHOWING LEVEL OF WELFARE MEASURES IN MEDICAL FACILITIES IN THE FIRM

Particulars	No of respondents	Percentage
Highly dissatisfied	9	12.33
Dissatisfied	11	15.07
Neutral	16	21.92
Satisfied	18	24.65
Highly satisfied	19	26.03
TOTAL	73	100



INFERENCE: From the above table it is inferred that 12.33 % of respondents are Highly Dissatisfied, 15.07% of respondents are dissatisfied, 21.92 % of respondents are neutral, 24.65% of respondents are satisfied and 26.03% of respondents are highly satisfied for the Welfare Measures in Medical Facilities in the company.

4.2 RELIABILITY TEST

Case Processing Summary			
		N	%
Cases	Valid	7	100.0
	Excluded ^a	0	.0
	Total	7	100.0

a. List wise deletion based on all variables in the procedure.

Reliability Statistics	
Cronbach's Alpha	N of Items
.920	38

INFERENCE:

The Cronbach's alpha coefficient for 38 items is 0.920 suggesting that the items have high level of internal consistency.

4.3 CHI SQUARE TEST

Null hypothesis (H₀): There is no association between employee's perception towards Promotion and gender of the employee.

Alternate hypothesis (H₁): There is association between employee's perception towards Promotion and gender of the employee.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.714 ^a	2	.000
Likelihood Ratio	24.058	2	.000
Linear-by-Linear Association	7.751	1	.005
N of Valid Cases	73		
a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 4.82.			

INFERENCE:

The Pearson chi square significant value is 0.000 which is less than 0.05. Hence Reject Null hypothesis. There is association between employee's perception towards Promotion and gender of the employee.

4.4 FRIEDMAN TEST

Null hypothesis (H_0): There is no significant difference between mean ranks towards the perception factors impacting to retain the employees at textile industry.

Alternate hypothesis (H_1): There is significant difference between mean ranks towards the perception factors impacting to retain the employees at textile industry.

RANKS	
	MEAN RANK
PERFORMANCE BASED INCENTIVES	4.17
OVER TIME SALARY	3.15
SALARY STRUCTURE	2.66
YEARLY BONUS SCHEME	2.76
BONUS PAYMENT	4.45
PAY REVISION PERIOD	3.81

Test Statistics ^a	
N	73
Chi-Square	75.191
Df	5
Asymp. Sig.	.000
a. Friedman Test	

INFERENCE:

It reveals that since p value is less than 0.05, the null hypothesis is rejected at 5 percent level of significance. Hence it is concluded that there is significant difference between mean ranks towards the perception factors impacting to retain the employees at textile industry.

4.4 ONE WAY ANOVA ANALYSIS

Null hypothesis (H_0): There is no significant difference between Strategic techniques for retaining employee's and age of the Employee offered by textile industry.

Alternate hypothesis (H_1): There is significant difference between Strategic techniques for retaining employee's and age of the Employee offered by textile industry.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
EMPLOYEES ARE TREATED WITH DUE RESPECT	Between Groups	15.018	3	5.006	4.937	.004
	Within Groups	69.969	69	1.014		
	Total	84.986	72			
PERFORMANCE BASED INCENTIVES	Between Groups	57.672	3	19.224	108.558	.000
	Within Groups	12.219	69	.177		
	Total	69.890	72			
MEDICAL FACILITIES	Between Groups	89.401	3	29.800	79.181	.000
	Within Groups	25.969	69	.376		
	Total	115.370	72			
JOB SECURITIES	Between Groups	24.661	3	8.220	21.842	.000
	Within Groups	25.969	69	.376		
	Total	50.630	72			
HELPS IN CARRIER DEVELOPMENT	Between Groups	86.000	3	28.667	47.095	.000
	Within Groups	42.000	69	.609		
	Total	128.000	72			

INFERENCE: Here p values is lesser than 0.05. Hence reject null hypothesis. Therefore, there is significant difference between Strategic techniques for retaining employee's and age of the Employee offered by the textile industry.

4.5 MANN-WHITNEY TEST

Null hypothesis (H_0): There is no significant difference between the satisfaction level towards Working Environment and Marital status of the employees.

Alternate hypothesis (H_1): There is significant difference between the satisfaction level towards Working Environment and Marital status of the employees.

Ranks

	MARITAL STATUS	N	Mean Rank	Sum of Ranks
WORKING ENVIRONMENT	Married	21	57.50	1207.50
	Unmarried	52	28.72	1493.50
	Total	73		

Test Statistics

	WORKING ENVIRONMENT
Mann-Whitney U	115.500
Wilcoxon W	1493.500
Z	-5.563
Asymp. Sig. (2-tailed)	.000

a. Grouping Variable: MARITAL STATUS

INFERENCE:

Since $p\text{-value} = 0.000 \leq 0.05 = \alpha$, we reject the null hypothesis. At the $\alpha = 0.05$ level of significance, there exists enough evidence to conclude that there is significant difference between the satisfaction level towards Working Environment and Marital status of the employees.

V. FINDINGS OF THE STUDY

- It is observed that 57.5% belongs to male and 42.5% belongs to female respondents.
- It is observed that that 16.44% of respondents are of below 25 years, 34.25% of respondents are of 26-35 years, 30.14% of respondents are of 36-45 years and 19.17% of respondents are above 45 years of respondents.
- It is observed that 68.49% are Non-Managerial Cadre respondents and 31.51% are Managerial Cadre respondents.
- It is observed that 16.44% are 0-5 years experienced respondents, 34.25% are 6-10 years of experienced respondents, 30.14% are 11-15 years of experienced respondents and 19.17% are above 15 years of experienced respondents.
- It is inferred that 16.44% of respondents have told Always, 30.14% of respondents have told Often, 27.39% of respondents have told frequently and 26.03% of respondents have told never for the employee's retention which helps the development of the textile industry.
- It is inferred that 13.70% of respondents have agreed for High Potential Programs, 39.73% of respondents have agreed for Employee Mentoring, 16.44% of respondents are agreed for Stay Interview and 17.80% of respondents are agreed for the On Boarding for the maintenance of employee retention program in the textile industry.
- It is inferred that 27.39 % of respondents are Highly Dissatisfied, 20.55 % of respondents are dissatisfied, 15.07% of respondents are neutral, 23.29% of respondents are satisfied and 13.07% of respondents are highly satisfied for the Salary Structure in the textile industry.

- It is inferred that 21.92% of respondents are highly satisfied, 16.44% of respondents are dissatisfied, 13.70% of respondents are neutral, 27.39% of respondents are satisfied and 20.55% of respondents are highly satisfied for the job securities in the textile industry.
- It is inferred that 12.33 % of respondents are Highly Dissatisfied, 15.07% of respondents are dissatisfied, 21.92 % of respondents are neutral, 24.65% of respondents are satisfied and 26.03% of respondents are highly satisfied for the Welfare Measures in Medical Facilities in the company.
- The Cronbach's alpha coefficient for 38 items is 0.920 suggesting that the items have high level of internal consistency.
- From Chi – Square, it is inferred that the Pearson chi square significant value is 0.000 which is less than 0.05. Hence Reject Null hypothesis. There is association between employee's perception towards Promotion and gender of the employee.
- From Friedman test, it reveals that since p value is less than 0.05, the null hypothesis is rejected at 5 percent level of significance. Hence it is concluded that there is significant difference between mean ranks towards the perception factors impacting to retain the employees at textile industry.
- From One Way Anova, it is inferred that p values is lesser than 0.05. Hence reject null hypothesis. Therefore, there is significant difference between Strategic techniques for retaining employee's and age of the Employee offered by The Grand Trading Company.
- From Mann Whitney U Test, it is inferred that $p\text{-value} = 0.000 \leq 0.05 = \alpha$, we reject the null hypothesis. At the $\alpha = 0.05$ level of significance, there exists enough evidence to conclude that there is significant difference between the satisfaction level towards Working Environment and Marital status of the employees.

VI. SUGGESTIONS OF THE STUDY

These are the few suggestions made by the researcher based on the opinions collected from the respondents, observations made by the researcher himself and from the literatures available.

- Job satisfaction can be improved by improving working condition through tools required by the employees like flexible time and training.
- Department wise feedback has to be taken on challenges and frustrations for employee retention.
- Supervisors have to communicate at regular intervals (weekly once) for solving employee complaints, problems and to manage stress.
- Work environment has to be improved by introducing music at work place.
- While there is no guaranteed set of practices that will work in all firms, there are “best practices” identified within the HR literature, and highly effective examples as described in our profiles.

VII. CONCLUSION

Retention is an important concept that has been receiving considerable attention from academicians, researchers and practicing HR managers. In its essence, Retention comprises important elements such as the need or content, search and choice of strategies, goal-directed behaviour, social comparison of rewards reinforcement, and performance-satisfaction. The increasing attention paid towards Retention is justified because of several reasons. Motivated employees come out with new ways of doing jobs. They are quality oriented. They are more productive. Any technology needs motivated employees to adopt it successfully. Several approaches to Retention are available. One such approach to retention is PIFA which reduces the attrition rate of the employees effectively. Early theories are too simplistic in their approach towards Retention

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