

Employee's Perception towards Retention Strategies – A Case Study of Max Fashion

Abstract

Employees have a central role to play in the organisations as they create value and sustainable competitive advantage. Employees of a firm improve decision making competency, responsiveness to customers, product and service offerings, and operations and processes that results in performance. When employees' knowledge, skills and attitudes are difficult to imitate, a firm earns its competitive edge. Therefore, every organisation's focus today is to build and retain intangible human capital (employees), comprising people's knowledge, skills and attitudes (KSAs). The results of the study show that Max Fashion house understand the importance of retaining employees and have designed strategies and plans to retain them.

Key Words

Employee, Intangible human capital, Organisation, Knowledge, Skills.

1. Introduction

The sustainability of any organisation in the present times depends on how it manages its intellectual assets (Employees) rather than its tangible assets (Quinn et al. 2002). Employees have a central role to play in the organisations as they create value and sustainable competitive advantage. Technological change is driving demand for skilled labour and spurring and upgrading skills across economies. The emergence of knowledge as a revolution has spawned a new notion of workplace literacy, changing the relationship between employees and organizations. New ideas or intellectual capital, more than savings or investments, are the new keys to prosperity and to the wealth of nations. (Ghirmai T Kefela, 2010). Employees of a firm improve decision making

competency, responsiveness to customers, product and service offerings, operations and processes that results in performance (KPMG 2000; Croteau and Dfouni 2008; Law and Ngai 2008). When employees' knowledge, skills and attitudes are difficult to imitate, a firm earns its competitive edge. Therefore, every organisation's focus today is to build and retain intangible human capital (employees), comprising people's knowledge, skills and attitudes (KSAs). Employee are to be retained in the organisation consciously, it is the process in which the employees are encouraged to remain with the organization for a maximum period of time. Employee retention is more beneficial to organization as well to employees. Employees quit the organisation for several reasons; therefore retaining knowledgeable employees has become a critical task for the company. This situation prevails across all segments in general and in retail segment in particular. It is in this background, this study aims to identify and appraise the different retention strategies developed and adopted by Max Fashion to retain its employees.

2. Literature Review

Cordray Kevin (2005) in his work shows the impact of retention on firm's productivity. He also shows that factors, such as company's overall offering of comprehensive training, career development opportunities, working hour flexibility, sense of community and suitable location, contribute in attaining strong position for the firm.

Akila R. (2012) conducts a survey to understand the employees/executives level of satisfaction in the firm which prepares them to be with the organisation. The results revealed that flexibility in working hours provided to the employees have a great impact on their satisfaction, and at the same time annual increments provided by the firm.

Kwenin D.O et al (2013) investigated the influence of certain factors, such as rewards, job satisfaction and human resource policies, on employee retention. The results showed a positive association between human resource policies and employee retention.

Jeng Don Jyh FU and Bailey T. (2012) in their work describes that retaining skilled employees has become a difficult task for employers in the organisation. He suggests certain retention strategies such as good incentives, perks, benefits and compensation should be provided. When employees are satisfied they give productive results and this will give a good image to the organisation.

Adzei F.A & Atinga R.A (2012) studies the impact of financial and non-financial incentives on motivation and retention. The results showed that the financial incentives carry a significant influence and motivation for employees to remain in the organisation. The results also reveal that appropriate appraisals, pay for performance and leadership with sound managerial qualities are required to pursue workforce retention.

3. Objectives of the Study

- To identify and evaluate the strategies devised by Max Fashion to retain employees
- To ascertain the problems of employees in the Max Fashion.
- To know the extent of efforts made by Max Fashion to retain their employees
- To understand the rewards and recognitions given to employees in the organisation.

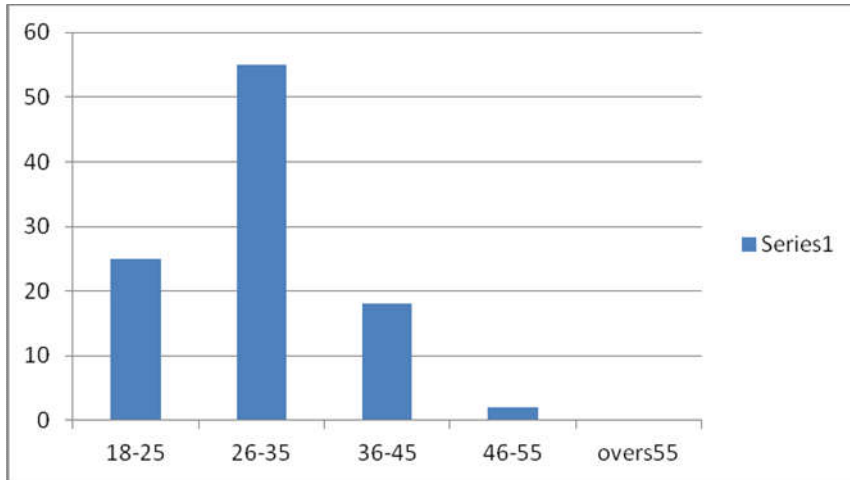
4. Research Methodology

The sample unit for the study consist of one hundred employees/managers of various departments of Max Retail. The study employs simple random sampling technique.

5. Data Analysis and Interpretation

5.1 Age of the Respondents

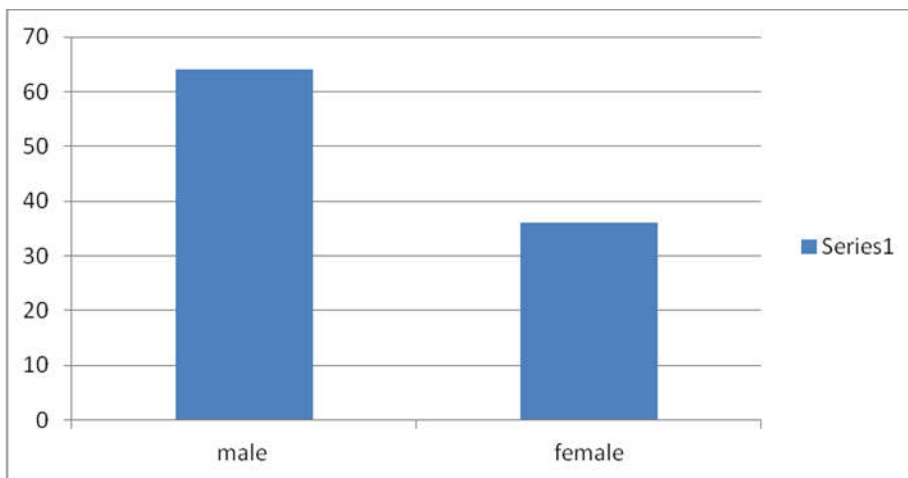
Age	No of Respondents	Percentage
18-25	25	25%
26-35	55	55%
36-45	18	18%
46-55	2	2%
Above 55	-	-
Total	100	100%



It is clear from the table and graph that majority of the respondents (55%) belong to the age group of 26 to 35. We can also find that there were negligible respondents who are above 46 years and none of the respondents are over 55 years. This highlights that Max have employed and retained young talent.

5.2 Gender of the Respondent

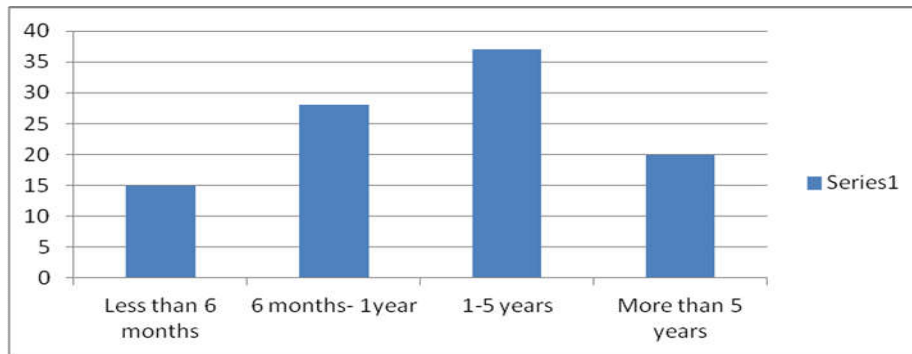
Gender	No of Respondents	Percentage
Male	64	64%
Female	36	36%
Total	100	100%



It is clear from the table that 64 per cent of the employees are men and only 36 per cent of the employees are women.

5.3 Duration/Tenure of the employee in the organization

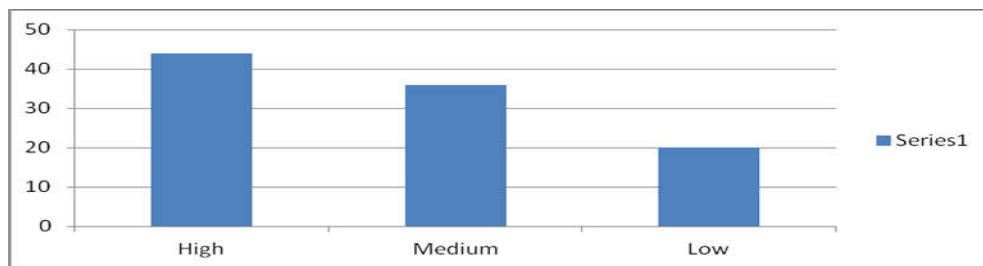
Duration of the Employee	No of Respondents	Percentage
Less than 6 months	15	15%
6 months-1 year	28	28%
1-5 year	37	37%
More than 5 year	20	20%
Total	100	100%



It is very interesting to note from the table and chart that twenty per cent of the employees have been with the organisation for more than five years and 37 per cent of the employees have served for one to five years. It shows that employees are satisfied and hence they have stayed with the firm.

5.4 Satisfaction level of the employee in the current job

Satisfaction Level	No of respondents	Percentage
High	44	44%
Medium	36	36%
Low	20	20%
Total	100	100%



It can be noticed that 44 per cent of the employees derive high satisfaction from their current job and role. It is also to be noted that 20 per cent of the employees are not satisfied. It should

serve as an indication to the management that these employees may switch their jobs. Therefore, management should take measures to find the problems and fix them.

5.5 Rate the following from high to low for the parameters that interests you to stay with the current organization

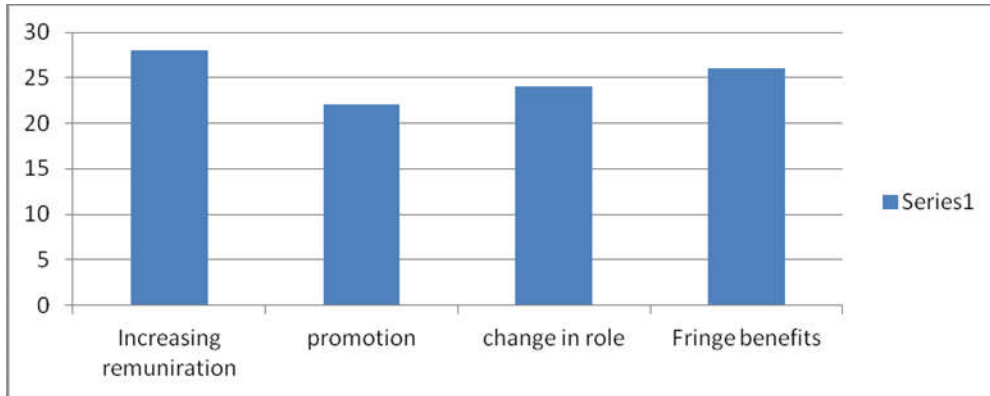
Sl.No	Parameters	High	Medium	Low	Total
1	Current Role	14	57	29	100
2	Salary	21	56	23	100
3	Reward and recognition	30	55	15	100
4	Brand	44	37	19	100
5	New opportunities	16	44	40	100



From the above chart and graph, it is evident that Current Position, Salary, Rewards and Recognition play a key role for the employees to be loyal to the organisation. It is also observed that Brand Value of the organisation and New Opportunities though are important but may not decide the employee’s tenure in the organisation.

5.6 Benefits offered by the Company to retain employees?

Parameter	No of respondents	Percentage
Increase remuneration	28	28%
Promotion	22	22%
Change in role	24	24%
Fringe benefits	26	26%
Total	100	100%



The table clearly shows that almost 54 per cent of the respondents opined that increase in remuneration and fringe benefits offered by organisation will retain employees. Promotion and change in role also helps in retaining the employees.

5.7 Strategies of Max to retain employees.

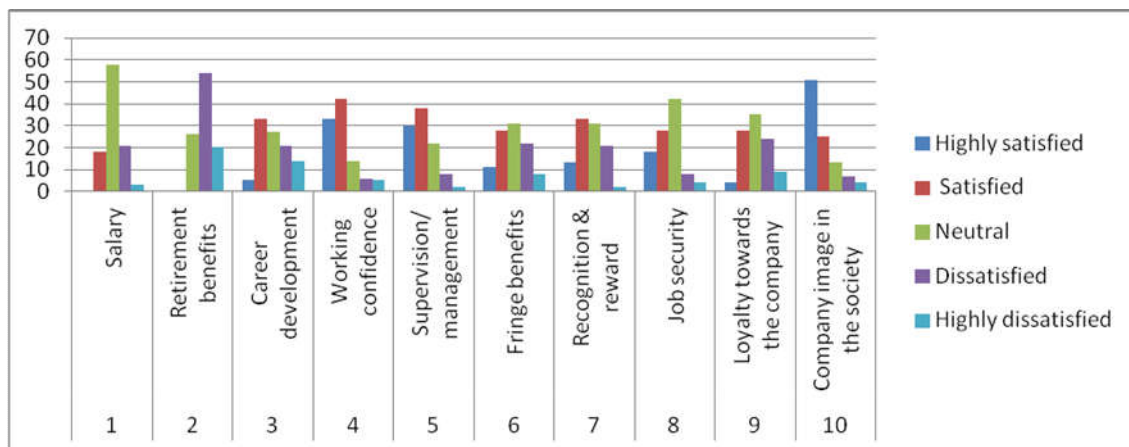
Sl.No	Strategies
1	Alternative Work Schedule (AWS)
2	Voluntary Reduction in Work Schedule (VRWS)
3	Telecommuting/Work at Home
4	Wellness Program
5	Mentoring/Coaching
6	Job Rotation and New Assignments
7	Help with career planning
8	On-site day care
9	Education opportunities
10	Training opportunities - job related
11	Annual Performance Appraisal

The table highlights the strategies used by Max fashion to retain employees.

5.8 Rank the Following Factors That Influence you to remain in the Organization

Sl. No	Factors	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied

1	Salary	0	18	58	21	3
2	Retirement benefits	0	0	26	54	20
3	Career development	5	33	27	21	14
4	Working Environment	33	42	14	6	5
5	Supervision/ management	30	38	22	8	2
6	Fringe benefits	11	28	31	22	8
7	Recognition & Reward	13	33	31	21	2
8	Job security	18	28	42	8	4
9	Loyalty towards the company	4	28	35	24	9
10	Company image in the society	51	25	13	7	4

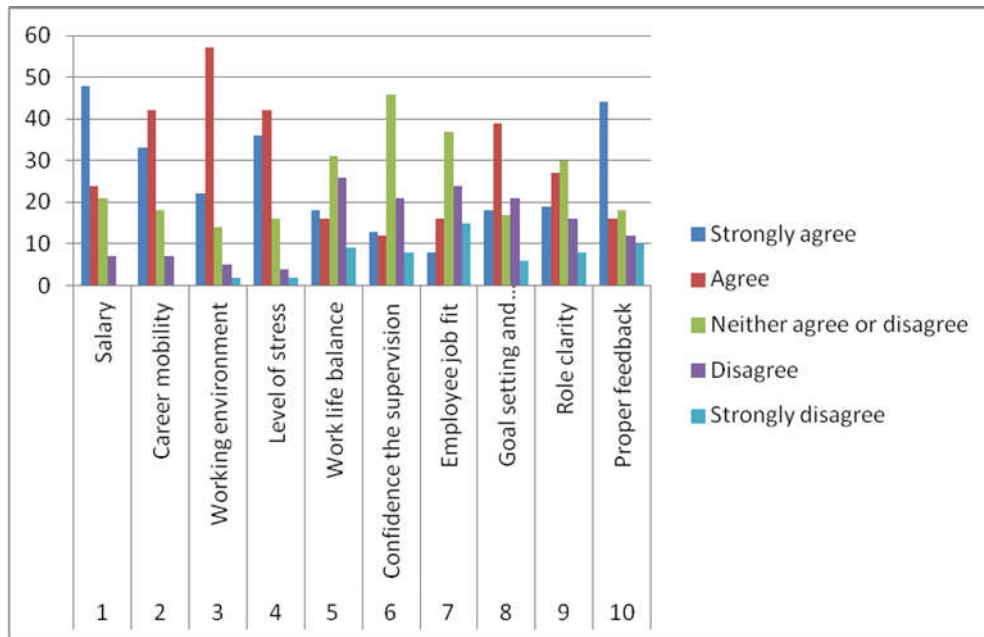


From the table and chart, it is evident that brand value/company image is one of the crucial factors that is encouraging the employees to remain in the organisation. They are highly satisfied with this factor. The other factors that contribute towards the employees satisfaction are working environment, career development guidance, management, recognition and rewards. Employees are not satisfied with the factors such as retirement benefits. Employees

wants the organisation to improve in the factors like remuneration, job security, fringe benefits.

5.9 Factors Affecting Retention

Sl.No	Particulars	Strongly Agree	Agree	Neither Agree Or Disagree	Disagree	Strongly Disagree
1	Salary	48	24	21	7	0
2	Career Mobility	33	42	18	7	0
3	Working Environment	22	57	14	5	2
4	Level Of Stress	36	42	16	4	2
5	Work Life Balance	18	16	31	26	9
6	Confidence	13	12	46	21	8
7	Employee Job Fit	8	16	37	24	15
8	Goal Setting And Performance Goal	18	39	17	21	6
9	Role Clarity	19	27	30	16	8
10	Proper Feedback	44	16	18	12	10



From the table and chart, it can be observed that factors such as salary, career mobility, goal setting and performance, evaluation system, working environment are important factors that helps the organisation to retain employees.

6. Conclusion

Retention is an important factor that has been receiving considerable attention in the recent times owing to the belief that skilled, knowledgeable and experienced employees form the real asset of the firm. Organisations need to design certain strategies to retain employees. Among other things, Respect, Reward and Recognition are considered to be very vital for employees to remain with the firm. Satisfied employees never quit the organisation. They figure out new ways of doing jobs and produce quality work. From the analysis, it can be deduced that Max Fashion gives importance for retaining employees and have designed several strategies to create balanced work environment and retain employees.

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