

Employee Retention – A Matter Of Concern In The Textile Industry Of Haryana

Dr. Jaspreet Dahiya¹, Vipin Nandal²

Associate Professor, BMU¹, Research Scholar, BMU²

Abstract

Employee retention is an important aspect of the growth of the organisation. Retention can be increased by various factors such as Career Development, Communication, Rewards/Recognition, Job Satisfaction, etc. So the purpose of this study is to find the association between various factors and employee retention among 151 participants from the textile industry of Haryana. The study factors are Career Development, Communication, Rewards/Recognition, Job Satisfaction, Work-life Balance, and Training and Development. The collected data has been analyzed by Cronbach's Alpha and the Pearson Correlation Method for the relationship between the variables. Job Satisfaction has the highest association with Employee Retention and the least association is with work-life balance. After completing this research the following policies are included in the organisation to increase engagement and ultimately Employee Retention which is flexible working hours, more communication between management and employees, rewards and recognition according to employee performance, etc.

Introduction

In the competitive business scenario, employee retention turns into a major issue in every organization. For instance, if an employee leaves the organization, the management needs to incur additional expenses on recruiting, hiring and training a new employee. Therefore, it is essential for any organization to implement an employee retention strategy to hold their top talents for a prolonged period of time in the organization. It is also to be noted that most of the organization invests time and money to prepare a brand-new joiner, build him/her to confront the corporate workplace at equivalence with the prevailing employees to accomplish the organizational goals (Sri, Krishna and Farmanulla, 2016). So, the formulation of a right retention strategy enables the management to save cost as well as helps in developing a sustainable competitive advantage.

Human capital is considered as one of the essential component in sustainable competitive advantage (Bassi and McMurrer, 2007; Memon et al., 2009) in any business circumstances. It is also to be noted that organizational success depends upon competitiveness (El Toukhy, 1998; Olckers and Du Plessis, 2015). This presumes that the competitiveness intensively relies on the ability of the organization to attract, develop and retain psychologically connected employees from all demographical segments with the defined skill set and capability (Torrington et al., 2009; Olckers and Du Plessis, 2015).

Employee Retention Definitions

Frank et al., (2004) described Retention as “the effort by an employer to keep desirable workers to meet business objectives.”

Chaminade (2007) clearly stated that “Retention is a voluntary move by an organization to create an environment which engages employees for the long term.”

In one another study, **Mehta et al., (2014)** defined employee retention as “a technique adopted by businesses to maintain an effective workforce and at the same time meet operational requirements.”

According to **Workforce Planning for Wisconsin State Government (2015)**, employee retention is “a systematic effort to create and foster an environment that encourages employees to remain employed by having policies and practices in place that address their diverse needs.”

Textile industry

The textile industry is primarily concerned with the **design, production and distribution of yarn, cloth and clothing**. The raw material may be natural, or synthetic using products of the chemical industry.

The term ‘Textile sector/Textile enterprises’ shall include all units which are engaged in various value chain activities of the industry such as Ginning & Pressing, Spinning, Recycled PSF manufacturing, Weaving, Tufting, Dyeing & Processing, Technical textiles (including non-woven), Knitting, Garment/Made-ups, Machine Carpeting, Extruding, Machine Embroidery and any other activities/process like crimping, texturizing, twisting, winding, sizing etc. and in Textile machine manufacturing.

Review of Literature

Shoaib, M., Noor, A., Tirmizi, S. R., & Bashir, S. (2009) showed that the research is done in Pakistan’s Telecom sector and the data is collected by 130 employees. The tools used to find the relationship and the impact is the Pearson Correlation and Multiple Regression method. The results showed that there is a positive relationship between the factors and employee retention.

Jaid, R., and Kumbhare, S. (2014) showed that the research is done in Pune and data was collected by 78 employees by random sampling. In this study, we found out how retention of employees can be increased with the increase in employees engagement level and this study supports that retention can also be increased with the help of non-financial factors of employee engagement such as Employee-Employer relationship, Communication, Future of the company, Recognition, Career Development, and Work Environment.

Mutsuddi, I. (2016) showed that the area of this research is Kolkata and the data which is used in this research is collected by 31 employees of different departments. The findings show the option of the respondents on the Job Engagement related issues were that “Job Attractiveness” and “Fair Compensation” received the top level of agreement. “Feedback” received the lowest

level of agreement. The model based on the empirical findings shows an interconnection between job engagement, job attractiveness, and employee participation.

Objective and Hypotheses of the Study

The purpose of the research is to identify the relationship between the factors influencing Employee Retention and Employee Retention.

Hypotheses

H₀₁: Training and Development has no significant relationship with Employee Retention.

H₀₂: Rewards/Recognition has no significant relationship with Employee Retention.

H₀₃: Work-life Balance has no significant relationship with Employee Retention.

H₀₄: Job Satisfaction has no significant relationship with Employee Retention.

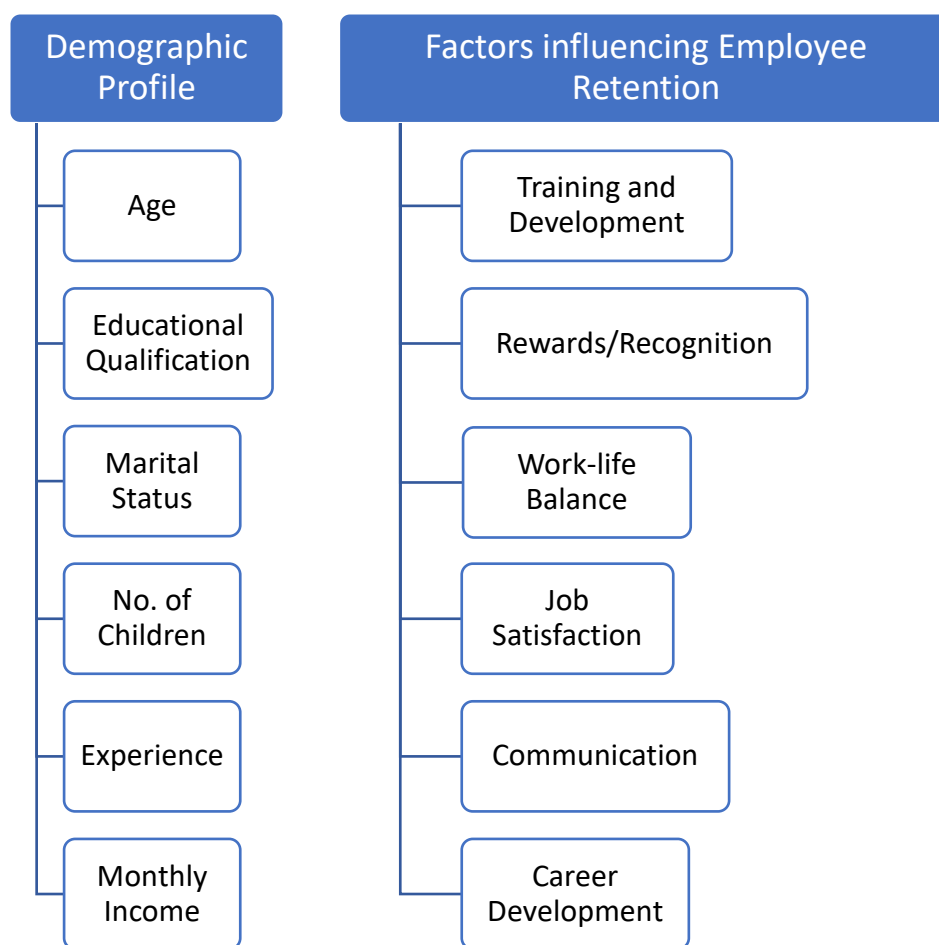
H₀₅: Communication has no significant relationship with Employee Retention.

H₀₆: Career Development has no significant relationship with Employee Retention.

Research Methodology

The number of samples used in this research is 151 Managers/Supervisors in the textile industry of Haryana and the convenient sampling technique is used in collecting data. The sample is checked for reliability and validity. The reliability and validity are checked by Cronbach's alpha scale. The Pearson correlation method is used to assess the association between various factors of retention and employee retention.

Study Factors



Analysis of Data

Frequency distribution and simple percentage analysis of the profile of the 151 participants are displayed in the table.

Age(in years)		Frequency	Percent
Valid	25 & BELOW	1	.7
	26-35	41	27.2
	36-45	64	42.4
	46 & ABOVE	45	29.8
	Total	151	100.0
Educational Qualification		Frequency	Percent
Valid	12th	4	2.6
	GRADUATE	108	71.5
	POSTGRADUATE	36	23.8
	OTHER	3	2.0
	Total	151	100.0
Marital Status		Frequency	Percent

Valid	MARRIED	143	94.7
	UNMARRIED	6	4.0
	DIVORCED	2	1.3
	Total	151	100.0
No. of Children		Frequency	Percent
Valid	0	9	6.0
	1	46	30.5
	2	79	52.3
	MORE THAN 2	17	11.3
	Total	151	100.0
Experience(in years)		Frequency	Percent
Valid	0-5	26	17.2
	6-10	30	19.9
	11-15	47	31.1
	16 & MORE	48	31.8
	Total	151	100.0
Monthly Income		Frequency	Percent
Valid	25000 & BELOW	23	15.2
	25001-50000	69	45.7
	ABOVE 50000	59	39.1
	Total	151	100.0

Reliability Analysis

Table 2

Study Factors	Cronbach's Alpha
Training and Development	.846
Rewards/Recognition	.766
Work-life Balance	.700
Job Satisfaction	.751
Communication	.838
Career Development	.852
Employee Retention	.923

Cronbach's alpha scale of reliability for the study factors is described in Table 2. All the factors have more than 0.7 of Cronbach's Alpha Value, then it is found reliable and can be used for further research.

Table 3 Pearson Correlation for the various factors and Employee Retention between 151 Participants

		ER
ERB	Pearson Correlation	.792**
	Sig. (2-tailed)	.000
	N	146
ERC	Pearson Correlation	.812**
	Sig. (2-tailed)	.000
	N	146
ERD	Pearson Correlation	.569**
	Sig. (2-tailed)	.000
	N	146
ERF	Pearson Correlation	.851**
	Sig. (2-tailed)	.000
	N	146
ERH	Pearson Correlation	.753**
	Sig. (2-tailed)	.000
	N	146
ERI	Pearson Correlation	.847**
	Sig. (2-tailed)	.000
	N	146

** . Correlation is significant at the 0.01 level (2-tailed).

Table Variables

ERB=Training and Development, ERC=Rewards/Recognition, ERD=Work-life Balance, ERF=Job Satisfaction, EEH=Communication, EEI=Career Development, ER=Employee Retention

H₀₁: Training and Development has no significant relationship with Employee Retention.

Training and Development is strongly and positively related to Employee Retention 0.792 at a 0.01 significant level, significance is lower than the significant level so the null hypothesis is discarded. Therefore, Training and Development has a significant relationship with Employee Retention.

H₀₂: Rewards/Recognition has no significant relationship with Employee Retention.

Rewards/Recognition is strongly and positively related to Employee Retention 0.812 at a 0.01 significant level, significance is lower than the significant level so the null hypothesis is discarded. Therefore, Rewards/Recognition has a significant relationship with Employee Retention.

H₀₃: Work-life Balance has no significant relationship with Employee Retention.

Work-life Balance is moderately and positively related to Employee Retention 0.569 at a 0.01 significant level, significance is lower than the significant level so the null hypothesis is

discarded. Therefore, Work-life Balance has a significant relationship with Employee Retention.

H₀₄: Job Satisfaction has no significant relationship with Employee Retention.

Job Satisfaction is strongly and positively related to Employee Retention 0.851 at a 0.01 significant level, significance is lower than the significant level so the null hypothesis is discarded. Therefore, Job Satisfaction has a significant relationship with Employee Retention.

H₀₅: Communication has no significant relationship with Employee Retention.

Communication is strongly and positively related to Employee Retention 0.753 at a 0.01 significant level, significance is lower than the significant level so the null hypothesis is discarded. Therefore, Communication has a significant relationship with Employee Retention.

H₀₆: Career Development has a significant relationship with Employee Retention.

Career Development is strongly and positively related to Employee Retention 0.847 at a 0.01 significant level, significance is lower than the significant level so the null hypothesis is discarded. Therefore, Career Development has a significant relationship with Employee Retention.

Findings and Conclusions

The study found that the various factors influencing retention such as a Training and Development, Job Satisfaction, Career Development, Work-life Balance, Communication, and Rewards/Recognition are significantly positively related to Employee Retention, and to increase employee retention in the textile industry of Haryana some necessary policies favourable to employees should be made and followed such as better pay, flexible working hours, deserving employees gets increased income and a strong appreciation, better communication between management and employees. Employee Retention can help to increase the productivity and performance of employees and the organisation.

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