Chapter 4:

Conclusions and Recommendations
<table>
<thead>
<tr>
<th>4.0</th>
<th>Introduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Findings</td>
</tr>
<tr>
<td>4.1.1</td>
<td>Unfriendly HR policies</td>
</tr>
<tr>
<td>4.1.2</td>
<td>Working Hours</td>
</tr>
<tr>
<td>4.1.3</td>
<td>Results of Exit Interviews to be linked to HR policies</td>
</tr>
<tr>
<td>4.1.4</td>
<td>Regular and timely communication</td>
</tr>
<tr>
<td>4.1.5</td>
<td>Appropriately defined growth and promotional avenues</td>
</tr>
<tr>
<td>4.1.6</td>
<td>Monetary Incentives</td>
</tr>
<tr>
<td>4.2</td>
<td>Conclusions and Recommendations</td>
</tr>
<tr>
<td>4.2.1</td>
<td>Recommendations</td>
</tr>
<tr>
<td>4.2.2</td>
<td>Conclusions</td>
</tr>
</tbody>
</table>

4.0 Introduction

The research gives the following conclusions. Based on the same the following findings and recommendations are being made. The entire analysis was done from the employee’s perspective and the employer’s perspective. Let us see in detail what conclusions are arrived at and what findings are reached and thus what recommendations are relevant to reduce attrition in retail
organization. It is the sunrise sector of tomorrow. So reducing attrition is in the interest of all the stakeholders.

1.1 FINDINGS:

During the survey & data collection some useful insight were obtained. Some of the important findings are summarized as follows:

1.1.1 Unfriendly HR policies: Retail is a very important sunrise sector that can generate a lot of employment opportunities but because of faulty HR policies they land up with very high attrition. HRs of the retail sector has to rethink on the way they look at the employees of this sector. Retail being very demanding, laborious, and time consuming, HR can introduce employee friendly policies like flexible reporting to the workplace, lenient leave sanctions, Rising Career graph, Regular performance appraisals, appropriate inductions, retirement policies, compensation and benefits to be paid in real sense, bringing in lot of excitement in the office/workplace by way of colorful activities and competitions, a well thought attrition policy, regular training and motivation exercises, exit interviews etc. HR has to see to it that they pay to the employees as per their efforts. A few employees were of the opinion that though they were working for 10 – 12 hours they were not getting paid adequately. Fair wage policy should be in place. Appraisal amount which is assured to the employee should be justified and not ornamental in nature.

1.1.2 Working Hours: Long working hours are a major problem while the sector deals with consumers one presumes that when there are no consumers employees are not required to wait but the organization makes they wait in the name of meetings, realignment of the showroom, changing the visual merchandise etc. This acts as a major deterrent to people to join retail sector. HRs of the retail sector has to rethink
on the way they look at the employees of this sector. Retail being very demanding, laborious, and time consuming, HR can think of restricting the no. of working hours to 8 for the employees and not allowing the HODs to make the employees wait beyond office hours. Lower level employees do not feel it is fair that they are paid low and then made to wait for long in the office/work place. HR should think of working on recruitment of more people in a team so that over pressurizing limited no. of people can be avoided. If they employ more people than they can expect better productivity from all the employees as they shall feel less of pressure and work better.

1.1.3 Results of exit interviews to be linked to HR policies: The results of exit interviews, as and when taken are not taken into consideration while framing HR policies. Because of this one finds employees leaving the jobs for the same reasons. As such causes of attrition are known but no corrective action is taken creating a very unhealthy environment. HR should maintain a discipline of compulsory exit interviews of the leaving employees irrespective of the fact that what is band level of the employee. If possible written exit feedback should be taken and the same should be kept in records. While deciding the HR policies for the organization, these feedbacks need to be used for the betterment of the existing employees. Its better if the transparency is maintained in the exit interview feedbacks and however negative the feedback it should be welcomed in right spirit.

1.1.4 Regular and timely communication: Poor communication is another reason. Here one finds even the most common HR policy; say on leaves is not communicated to the employees who are unaware of the person to be contacted for leaves leaving them in a lurch frustrated and unhappy. A few HR managers attend the strategic meetings, do note the changes and start working on the changes, without realizing the fact that the other team and peer members have to be informed about the changes and the action plans. This leads to a lot of frustration and negativity. This non intentional or intentional lack of communication can be very harmful for the employees and the future of the organization. Communication, transparency and performance go quite hand in hand. So the productivity of the individual and the organization is very much
related to the smooth flow of the information at the right time. Employees need to be involved in the decision making. Agreed that all the employees opinions are difficult to count and measure but may be an opinion poll can help and best of the opinions can be considered for discussion. The more employees are involved and communicated, the more is the loyalty from the employees. Employees then feel like a part of the organization. Timely communication is also like hitting on the hot iron. Delayed information or information from some other channel is not only harmful but also very disheartening. Change makes all the difference. So a change although mandatory should be always intimated to the employees in smaller dosages.

1.1.5 Appropriately defined growth and promotional avenues: Poorly defined growth and promotional avenues leave the employee in a lurch. When employees get a higher position somewhere else they are ready to switch jobs. Some of the HR departments do not communicate the career graph or chart to the employees. The growth map of a retail employee is as follows:

```
Zonal Head
   ↓
Area Manager
   ↓
Store Manager
   ↓
Assistant Store Manager
   ↓
Department Manager
```
Assistant Department Manager

Team Leader

Team Member

A team member should be very clear about when he shall become the team leader and what efforts he needs to take to become one. An employee should be shown the future prospects very clearly as if he finds the promotional avenues somewhere else he would definitely walk away. So retaining the employees can be very simply done by designing a career graph for every employee, giving him a ladder to climb the same with the help of training and motivation and helping him to reach the top of the ladder.

4.1.6 Monetary Incentives: Monetary incentives are not satisfactory. Even performance bonuses are small in amount in retail sector. One reason for the same may be because retail sector deals with FMCG products which are low profits: high volume game. This simply means that every employee and the retailer if wants to earn higher amount of profit they have to concentrate on raising the sales. So there is a lot of hard work involved for the employee but the same does not get rewarded with the high salaries. HRs justify low salary with the reason of lower qualification of the employee but ignore the no. of hours and hard work involved in the same. Even the senior and mid management employees feel that although the letter of appointment makes big claims the bonuses are not logically defined and rational. They depend on the whims and fancies of the supervisor. The CTC has a very huge variable component which can be tweaked very easily and is often tweaked to the dissatisfaction of the employees. This is very demotivating as the employees wait for
the performance bonus for one whole year and they work hard with the desire to get good healthy performance bonus. They also build their dreams around these expected performance bonuses and feel shattered when they hardly get anything in their hands. HR must work on the realistic monetary incentives and a gradual raise in the salary. Retail sector faces a very big problem of almost close to stagnancy of the wages at most of the levels.

1.2 CONCLUSION AND RECOMMENDATIONS

Controlling attrition should be the prime objective of all retail organizations. They should not lose sight of the point that human resource is the most critical success factor. Keeping human resource happy and satisfied should be stressed on.

1.2.1 Recommendations:

The following steps are critical to having an employee friendly environment:

a. **Employee friendly HR policies:** HR policies have to be build up taking the employee feedback into consideration. Organizations have to start believing that they are existing because of employees and not otherwise. It’s important to consider employee as an important resource and start building the organization considering the employees as the foundation stones of the organization. HR has to unlearn a lot of facts and build up the HR policies which are for the employees and from the employees.

b. **Open Communication:** HODs and HR of the organization have to make every employee feel part of the organization and for that making the employees feel important is crucial. This can be done through regular communication to the employees at all the levels.
Even if it is a change in leave and holiday policies has to be communicated to the employee at the right time.

c. **Taking exit interviews seriously:** This is one of the repetitive mistakes from which the organizations have to take lesson. HR departments have to mandatorily take exit interviews and the feedbacks given by the leaving employees have to be acted upon so that the future employees can be retained.

d. **Avoiding long working hours:** Long working hours have to be avoided in the retail sector if this sector wants to have productivity and efficiency in the future. Work load and targets should not spread on the work hours of the employees. Rather than spreading the extended work load on the existing employees, more number of employees on ad hoc level can be employed when the work pressure is very high. In the short run employing more number of employees may be cost sensitive for the organization but in the future same cost incurred now shall add to the productivity and income of the organization.

e. **Well defined career planning:** HR department of the organization should be instrumental in designing not only the JD (Job description) of the employees but also the career growth map of the employees. There should be regular discussions and action implementation surrounding this thought so that the employee remains motivated and loyal to the organization. Whatever actions are planned for the growth of the employees by the HR team should be in discussion with the supervisor/HOD. The discussion need to be communicated to the employees also at a regular interval. It’s not that the organization’s don’t do career planning but they plan in general for all the employees. For eg. AVATAAR in Future Group. The need of the hour is individual employee’s career growth planning as every employees needs to climb the career ladder with his own potential.
f. **Employee friendly work environment:** Every employee spends major portion of his day in the office so he needs to be motivated to spend that time productively by allowing him to maintain the ease of working. This is possible only if the employee is not continuously threatened by the foreseen targets. Targets can be achieved otherwise by continuously motivating the employee rather than threatening him with the targets. None of the employees will appreciate a frowning boss every day. So HODs have to be very careful on creating an employee friendly work environment by not following the employee every minute after delegating the work. If the employee has a flexibility of doing whatever he can along with his work targets than he will work harder on achieving the targets.

g. **Proper environment for learning and development:** Every organization may not necessarily be an educational institute to encourage learning and development among its team of employees. Even a retail organization will add value to its brand depending on the learning and development happening in the organization. Every employee should be encouraged to add to his educational qualifications by HR finding out various means of promoting learning and development among the employee. Learning and development can be done by allowing the employee to do some degree, diploma or training in the organization or outside the organization. Employees should be motivated enough so that they don’t take learning and development as an additional burden to the regular schedule of work and targets. Organization should not only give directions to the employees for learning and development but also sponsor the education if the employee cannot afford the same.

h. **Appropriate welfare measures:** HR department of the organization has to play a crucial role in ensuring that the welfare of the employees is taken care of. Welfare of the
employees should not be a yearly, monthly or weekly activity. Welfare should be provided very regularly without the employee being realizing or made to realize about the same. For eg. Medical benefits, making the employee happy and satisfied, ensuring that the employee is relieved of the work fatigue. HODs should also contribute by ensuring that the work burden is not carried home by the employee. Employees should be helped to space out between office and work atmosphere.

i. **Well defined and employee friendly leave sanctioning authority:** Leaves should be considered as right of the employee and should not be considered as a work hurdle by the bosses. Most of the times very senior bosses do not have any issue if the juniors of the team take leave but the reporting boss is not comfortable with issuing a leave sanction to the employees. Employees feel demotivated by this approach and they need friendly, understanding and accommodating bosses. HR department should ensure that no employee should be denied leave as and when required ensuring that the employee informs in advance about the same.

j. **Performance Based Incentives:** Merit of the employee needs to be valued and his contributions to the organizations should never be unnoticed, however big or small be the contribution. On the basis of the performance the incentives should be given to the employee but they should be realistic in nature. Most of the times even when the salaries are increased, they are increased with performance bonus which is a variable component of the salary. When the performance appraisal is done most of the times employee is not given the 100% performance bonus showing the performance of the employee or the growth of the organization as an indicator. This is where the fairness to the employee is in question. If the employee has performed than he has full right on the performance bonus, whatever may be the growth scale of the organization.

k. **Market based salaries:** Employees nowadays are fully aware of the salaries which are being paid to their peer in the other organization. So if they are paid low than the
market than the comparisons start immediately. If the bosses and the HR department do not hear to this comparison than the employee starts feeling demotivated, starts compromising on the productivity and loyalty. So it is crucial for the organization to pay market based salaries to their employees.

l. **Timely promotions:** Opportunity delayed is opportunity denied. If the employees do not get their due promotions on time than they think of changing their jobs. Promotions could be in terms of Band improvement or salary improvement. So the promotions must be very optimistically approved by the HODs and accepted by the HRs of the organization.

m. **Attractive employee value proposition:** Organizations need excellence for survival. Organization should be able to take care of the aspirations of the skilled and valuable employees. Organization’s brand itself can be appealing so that it can attract the right talent to the organization. Organization’s must flash their efforts about employee value proposition on their websites and other medias so that the employees outside are aware that the organization is seriously interested in employee value proposition. EVP is collective arrangement of programmes which organizations offer in return of employment². A lot of organization’s HR teams are not even aware of the EVP as it is a very recent phenomenon. But EVP is required for retaining the employees. Organization’s must along with designing a recruitment strategy design employee value proposition so that employee attrition can be checked and retention can be improved.

n. **Work life balance:** This is one of the biggest challenges for the retail sector. Retail is a very demanding, laborious sector with high work targets. Lots of mid level employees take the work stress home and disturb both the ends. HR department and HODs both should ensure that the work is not affecting the personal life of the employees. If employee is spending a lot of time in office than occasionally HR must invite the family
members to the office so that the employee gets some time to spend with the family. Employees should be allowed to adopt flexible reporting policy and the work hours should be kept limited to 8 hours. A lot of organizations like Future Group provide Help desk facilities for the employees so that the payment of bills, payment of premium of policies, gas booking, passport and other related things can be taken care of.

o. **Employee Engagement:** Employee engagement is a very recent innovative process of keeping the employee engaged and bonded to the organizations. HRs of the organization must keep on conducting employee engagement activities like Colour Code Week, Drawing Competition, Quiz Competition, Flash Mobs, Dance competitions, Fashion Shows, Celebration of festivals and patriotic days, picnics, movie screening etc. These activities improve the bonding among the peer employees and teams become stronger. Such activities also make the work environment very healthy and exciting.

### 1.2.2 Conclusions:

Valuing the employees should be one of the mission and vision statement of the organization. Retention of the employees should be one of the strategic functions to be aligned with the group business strategies of the organization. Most of the companies value the customers only. Now is the time to give equal weightage to both customer as well as the employee as for the organization employee is the internal customer. Satisfying internal customers primarily can lead to qualitative satisfaction of the external customers and all other stakeholders. Business objectives are driven by the employees so while recruiting the employees, skilled employees should be recruited who can align
to the business objectives. HRs role becomes very crucial at this stage that existing employees are also mentored and trained according to the business objectives and employees develop competencies as per the business orientation so that they are able to predict the future success of the organization. Future of the organization depends on how innovatively HR brings service orientation in the employees. HRs systems and processes should be focused towards employee orientation so that it adds to the economic value of the business.

HRs should also focus on good employee- manager relationship by breaking the ice at the time of induction. Good manager employee relationship is the best available strategy for employee retention. It’s important not only to make sure that the employee is productive but also loyal, as loyalty and belongingness of the employees goes a long way and keeps him attached to the organization. Employee loyalty can be ensured with good employee friendly policies like competitive salaries, additional incentives and allowances, avoiding delay in the promotions and building up the career graph. Happy and productive employee himself can help in reducing the employee turnover. There should be clear definition of the key talent employees. Key employees of the organization should be identified and they should be retained with utmost care as they are the targets from the competitors too. Competitors can lure this key talent with attractive salaries and growth incentives. Key talent employee does not remain associated with the organization just because the organization is large or is a great brand. Key employees like to valued and respected in terms of talent. Succession plans should be very clearly broadcasted to these employees on regular basis. HODs have to
take care that rewards can retain the talent but may not give the job satisfaction to the employees, so the HODs have to be as creative and innovative to make the delegated job interesting. So when an employee thinks of leaving he does so taking 2 things into consideration i.e. compensations and job satisfaction. Organizations should continuously keep taking efforts on making the job and the job atmosphere interesting and creative for the employees. Motivated employees come out with better and qualitative ways of doing work. HODs and HR both should be instrumental enough in handling the work life balance of the employee and that is possible only with the job pressure is not excessive and the employee is working within the official hours. Employees should be well channelized in terms of engagements, which mean the employees should be loyal to the organization rather than being loyal only to the projects and departments.

Employee retention is a complex process which needs to be implemented in smaller dosages regularly. The efforts taken for employee retention in present will take the organization long way in future as quality of an organization is known by the quality of employees. Employee retention is a team effort and needs intervention at all the levels.