

Impact of Organisational behaviour and HR Practices on Employee Retention in Parcel Service Sector with Special Reference to Tamilnadu

N. Sumathi, S. Parimala

Amrita Vishwa Vidyapeetham, Coimbatore, Tamil Nadu, India

I. INTRODUCTION

Roads are constituted as the most significant component of India's Logistics Industry, accounting for 60 percent of the total freight movement in the country. A majority of players in this industry are small entrepreneurs running their family businesses. As a result, Man Power Development Investments that pay off in the longer term, have been minimised respectively. Moreover, these businesses are typically controlled severely by the proprietor and his / her family and consequently, making it unattractive for the professionals. Poor working conditions, Low pay scales relative to alternate careers, poor or non-existent Manpower Policies and prevalence of unscrupulous practices have added to the segment's woes for seeking employment. Thus, it could be rightly stated that the Transportation, Logistics, Warehousing and Packaging Sector is considered an unattractive career option and fails to attract and retain skilled manpower. Many Organizations have failed to recognize that Human Resources play an important role in gaining an immense advantage in today's highly competitive Global Business Environment. While all aspects of managing Human Resources is important, Employee Retention continues to be an essential part of Human Resource Management activity that help the Organizations to achieve their goals and objectives.

II. STATEMENT OF PROBLEM

Employees working in the Transportation and Logistics Industry have their own issues in terms of Heavy work load, Deadline, Slim down employee benefits etc. The safety concerns of female employees are much important. Moreover, In Transportation Department, Drivers face issues such as increasing fuel cost, unpleasant road conditions, increasing vehicle maintenance cost etc. On the other hand, Office level employees', Administrative employees' in Parcel Service Sectors are dissatisfied towards their job as it lacks career path development. In general these issues strongly influence the attrition of employees. On the other hand, though the employees in these sectors are better educated and more qualified than ever before, they cannot raise their voice for the employee welfare or benefits. As the decision-making ability

in the Parcel Service sector is highly centralised within Trucking Companies, it leads to unpleasant working environment. Based on the conceptual understanding, the current study aims to analyse the influences of Organisational Behaviour and HR practices on employee retention especially in Parcel Services sector, in Tamil Nadu.

Based on the above details the following Research Questions are framed-

- Whether the organisational HR practices and Behaviours has influenced the employees' intention of turnover in the Parcel Service department.
- Whether the employees have enough knowledge on the Retention Strategies in the Parcel Service Providing firms?
- Whether the employees exhibit high degree of commitment and satisfaction towards their Organisation that could support the Organisation in retaining its valuable Human Resource?

III. OBJECTIVES OF THE STUDY

- To study the Demographic and Job Profile of employees working in the Parcel Service Sector in Tamil Nadu.
- To analyse the impact of HR (Human Resource) Practices on Employee Retention in Parcel Service Sector in Tamil Nadu.
- To assess the impact of Organisational Behavioural factors on Employee Retention in Parcel service sector in Tamil Nadu.
- To measure the employees' understanding on the Retention Issues faced by the Parcel Service Providers in Tamil Nadu and to assess their level of commitment towards their Organisation.
- To measure the employees' level of satisfaction towards the recent HR practices and Organisational behaviour.
- To measure the existing gap between the employee commitment towards their Organisation and the Retention Strategies adopted by the Parcel Service

Providing firms and to offer suitable suggestion for Employee Retention.

IV. HYPOTHESES OF THE STUDY

- H1. Demographic and Job profile of the employees significantly influence their perception towards HR Practices adhered in their Organisation.
- H2. Demographic and Job profile of the employees significantly influence their perception towards Organisation Behaviour.
- H3. There exists close association between the reasons stated by the employee to leave an Organisation and their perception towards HR Practices adhered in their Organisation.
- H4. There exists close association between reasons stated by the employee to leave an Organisation and their perception towards Organisation Behaviour of their Organisation.
- H5. There exists close association between employee's perception on their Organisation HR Policies and Practices of Organisation in retaining employees and their satisfaction levels.
- H6. There exists close association between employee's perception on their Organisation Behaviour to retain employee and their satisfaction levels.
- H7. Organisation commitment of employee significantly influences their intention to stay or turnover from the current job.
- H8. Demographic, Socio-economic status and Job profile of an employee significantly influence their intention to stay in a business firm.
- H9. Demographic, Socio-economic status and Job profile of an employee significantly influence their intention of turnover from the current job in a business firm.

V. SCOPE OF THE STUDY

This study aims to analyse the Organisation's role in Employee Retention, with special reference to Parcel Services Service sector in Tamil Nadu. The Researcher believes that the current study is useful to the Employers in the field of Logistics/ Transportation/Parcel Services in understanding their Employees' Issues that they may resolve in the future. The study is also useful to HR managers, Academicians and Scholars in understanding the issues and solution towards Employee Attrition and their Retention Strategies.

VI. RESEARCH METHODOLOGY

The current study is both explorative and descriptive in nature. The Study is based on the Surface Transportation Parcel Services operating in Tamil Nadu. The Researcher has adopted Judgmental Sampling Technique for defining the entire population of Surface Transport Operators (Parcel Service Operators) throughout Tamil Nadu. And the

Researcher also applied Convenience Sampling Techniques for the collection of Primary Data. The respondents' are approached with the support of the Surface Transportation Association and References Groups. In this study, only voluntary respondents' are surveyed. In the first stage of Research, a Pilot Survey was conducted at Coimbatore city. At the end of survey and interviews with the Transport companies /firms, it was understood that in Coimbatore city there are 205 Surface Transportation Companies currently in operation. It is observed that out of 205 Surface Transportation i.e., Parcel Services companies/Firms operating in Coimbatore city, only 21 companies are considered as sample.

Due to the vast spread of these Transportation Service Providers and difficulties encountered by the Researcher in data collection, the Sample Population has been restricted to just 10 per cent of the actual population. i.e., 21 parcel service companies. The Study observed that there is no single Public Sector Transportation company that offers pure Parcel Service. Thus, no Public Sector Transportation Corporation has been included in the Sample. Since, the Sample 21 Parcel Service companies did not provide detailed information of their Employees' Role or Designations, a small Sample of 30 respondents have been chosen as Sample from each Organisation that is summed to 630 respondents in total. The data has been collected from all categories of employees i.e., High, Medium and Low level employees. High level authorities of the Surface Transportation have been investigated by utilising (Expert Panel Discussion) to obtain their opinion on companies to gain first-hand information on their Employee Recruitment Practices, HR (Human Resource) Practices and Organisation Factors that may influence employees' decision to stay or leave their job. In the second phase of data collection, 630 well-structured questionnaires have been distributed among the Sample respondents in the Administrative and Driver Cadres, after testing its efficiency and feasibility through a Pilot Survey of 30 Sample Population in Coimbatore district, with a sample of five employees in each Organisation that constitutes 10 Administrative employees and 20 Drivers. In the final stage of the Data Collection, it has been observed that out of 630 questionnaires distributed only 625 questionnaires have been returned by the sample subjects, these 5 questionnaires were deducted from the actual Sample Population of 630. The study constitutes 625 Sample Population.

VII. STATISTICAL TOOLS APPLIED

In the current study according to the nature of Data and Interpretations required, appropriate Statistical Tools have been applied. The following tools have been applied in the study: Frequency distribution, Weighted Average, Likert's Scaling, ANOVA Test, Paired 'z' test, Rotated Factor Analysis, Reliability analysis and SEM (Structural Equation Modelling).

VIII. LIMITATIONS OF THE STUDY

The present study is subjected to the under-mentioned limitations:

- a) Due to the vast spread of the geographical region, only 21 Transportation Service Providers around Tamil Nadu have been surveyed.
- b) Non co-operation of employee in giving some crucial information for the study are considered as the major limitation that restricted the Researcher from collecting the required information directly from the sample.

IX. CHAPTER ORGANISATION SCHEME

This Thesis is organised into Six Chapters.

Chapter I: This Chapter deals with the Introduction, Statement of Problem, Conceptual Framework, Scope of the Study, Objectives, Hypotheses, Research Methodology, Limitations of the Study and Chapter Organisation Scheme.

Chapter II: The Second Chapter focuses on the Reviews of the Relevant Literature of Studies in this field carried out by various Researchers in the past.

Chapter III: The Third Chapter titled “Logistics Business Operation in India and Employee Retention Issues” draws an overview about the subject concepts.

Chapter IV: The Fourth Chapter offers an overview on Research Design and Methodology adopted in the study.

Chapter V: The Fifth Chapter reveals the Analysis and Interpretation of the responses which were collected during the interviews. A wide range of sub-topics under this theme has been discussed elaborately

Chapter VI: The Sixth Chapter Summarises the Findings of the Study, Suggestions and Conclusions and Further Extension of the Study.

X. ANALYSIS AND INTERPRETATION OF DATA AND FINDINGS OF THE STUDY

The study identified that out of 625 respondents' surveyed, 52.32 per cent of employees' are male and the rest of 47.68 per cent of sample respondents' are female. The study observed that 47.84 per cent of employees' in Logistics Service sector are aged between 21-39 years and 28 per cent of sample respondents' are graduates. The study observed that 29.92 per cent employees surveyed have gained work experience of 6 month to 1 year of in Logistics Service and just 8.80 per cent of the respondents have gained 10-15 years. The monthly earning of 43.36 per cent of employees' ranges `10000 or less. The study found that 60.80 per cent of sample respondents' surveyed are in the low level management cadre and 52 per cent of respondents' are working for the National Level Service Providers. Further, the study observed that 44.80 per cent of respondents' are working in Large Scale Organisations.

The sample employees have expressed high degree of perception towards: Remuneration and Recognition System practiced in their Organisation, proper training and orientation given to employees while joining the job and employees are offered more challenging work within the organisation. Similarly, it was observed that that majority of the respondents' have opined that the working life balances with their family life, Leadership Practices in this organization help them to become a high performing employee, Team working is valued in their Organisation, Organizational Policies and Procedures are helpful, well understood and up to date and organization keeps employees well informed on matters important to them.

Out of 625 respondents surveyed, 34.56 per cent of the respondents said that Business Environment is rapidly changing in Logistic Service Sector that duly influences higher rate of employee attrition. Majority of the employees claim that as they are dissatisfied with the salary and monetary benefits paid in their current Organisation, they tend to move to the other Organisation. With the support of multiple regression tests, the study has concluded that there exists close association between the reason stated by the employee to leave an Organisation and their perception towards HR Practices and Organisational Behaviour adhered in their organisation. On an average 79.60 per cent (3.96 on the mean score of five on Likert's scale rating) have opined that they feel a strong sense of belonging to their organisation. The results of ANOVA test confirmed that organisation commitment of employee significantly influences their intention to stay or turnover from the current job. The study observed that 80 per cent of the employees surveyed are found to be satisfied with organisation's HR Practices and Organisation Behaviour. Majority of the respondents' expressed high degree of satisfaction towards the insurance benefits and health care benefits paid by their Organisation.

XI. CONCLUSION

The Study observed that salary and remuneration paid to the employees in the Logistic Sector is too less, which is bare minimal for a worker to lead a comfortable life., Stating this as the primary reason majority of the employees tend to seek an alternative job. The Study identified the changing Business Climate as the next primary challenge that forces the employees' attrition from Logistics Services, especially from Parcel Services. Based on these findings it is suggested to the Parcel Services Sector Entrepreneurs and the entire Logistics Service Industry to pay a higher salary or salary that is competitively paid in other Service Sectors in order to curb the higher rate of attrition of employees. Similarly, they are suggested to train their employees in both Stress Management Practices and in New Work Environment Practices to minimize, the higher rate of attrition of employees.