

EMPLOYEE RETENTION IN THE INDIAN RETAIL SECTOR: ROLE OF ORGANIZATIONAL CULTURE, COMPENSATION, AND CAREER GROWTH

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1 ABSTRACT

Employee retention is a significant issue in the Indian retail sector with 30-35% annual attrition. The contribution of organizational culture, compensation, and career growth toward enhancing employee retention within the fast-paced retail industry is analyzed through this research. Through a mixed-methods approach, 250 frontline, middle-level, and senior-level employees in organized retail firms took part. The study identifies that positive organisational culture along the lines of being inclusive, respectful, and work-life facilitating has a tremendous influence on retaining employees by developing employee commitment as well as decreasing turnover intentions from the organisation. Reward and distributive compensation policies, particularly non-compensatory ones such as health cover as well as adaptable working hours, play a really significant role in retaining employees. Opportunities for career growth, e.g., promotions, training, and mentorship programs, also make considerable contributions toward retaining the loyalty and satisfaction of employees.

The study underlines the synergy among the determinants and demonstrates how the total impact of all determinants put together is greater than that of every factor by itself. Practical implications are captured in terms of how retail firms are advised to merge organizational culture, reengineer remuneration packages, and initiate career advancement programs as ways of eliminating turnover and job stability. The strategic determinants to be focused on by retail firms to improve retention, productivity, and profitability over the long-term in a competitive environment are emphasized. This paper adds value to employee retention research by leveraging company-specific information well-suited to the Indian socio-economic and cultural environment's characteristic conditions.

KEYWORDS: *Employee Retention, Organizational Culture, Compensation, Career Growth, Attrition, Indian Retail Sector, Turnover Intentions*

2 INTRODUCTION

Employee retention has become a high priority for global companies, especially in and following the international pandemic, boosted technological innovation, and changed employees' expectations from 2020. Such are the trends that have significantly influenced job satisfaction models, work-life integration, and the leadership's role in turnover-prone industries, i.e., the retail industry (Meriküll and Paulus 2023). In India, the organized retail market, "a chain of stores owned or franchised by a single firm that provides uniformity and standardization in all the outlets" (Akhter and Equbal 2012), has come to be a large job creator, mainly in urban areas. However, even with abundant employment opportunities, the industry has, for a long time, suffered from the nagging problem of high staff attrition, at an average attrition rate of 30-35% annually. The organized retail trade, including supermarkets, hypermarkets, and department stores, draws young and dynamic employees. Nevertheless, the reasons leading to employee discontent and turnover are meager wages, rigid work hours, physical fatigue, constrained career development prospects, and work stress (Mishra and Gupta 2009). Frontline retail workers, especially, face 20-30% turnover, while junior and middle-level employees face 20-60% turnover (Bagchi 2020). Such a high turnover not only impacts the organization's productivity but also escalates recruitment and training expenses, underscoring the need for retention measures. Retention initiatives, "systematic organizational efforts to develop a positive work environment that fosters employees to stay with the organization" (HR Planning for Wisconsin State Government, 2015), have been found to be of significant value in the retail industry. These initiatives are generally in the form of financial and non-financial rewards, i.e., competitive pay, career development programs, and positive organizational culture (Mathis, Jackson, Valentine, and Meglich 2017). For the Indian retail industry, whose backbone is the organizational employees, having capable and engaged employees owned by the organization is the key to maintaining customer satisfaction, operational efficiency, and long-term profitability (Savale T.K.2025).

Organizational culture, pay, and career development have been discovered to be drivers of employee turnover. Organizational culture that embraces employees optimizes employee motivation and commitment, and fair pay and career development opportunities satisfy the intrinsic and extrinsic needs of employees (Armstrong and Taylor 2023). In retail firms, with front-line employees typically carrying out physically demanding and emotionally taxing work, these elements play an important role in minimizing turnover and enhancing job satisfaction (Pandey, Singh, and Pathak 2019). The Indian retail industry, especially in urban cities such as Mumbai, is confronted with special challenges in retaining talent because of the presence of varied job opportunities across sectors. Therefore, companies have to implement innovative and proactive retention strategies to remain competitive (Savale T.K. 2025).

2.1 Employee Retention in Indian Retail Sector: Compensation, Career Growth, and Organizational Culture

Employee retention is a strategic imperative for companies, particularly in the Indian retail sector, where efficiency and productivity are only possible with motivated and talented employees. Not only does talent retention enhance productivity, but it also saves companies money, makes organizational culture healthier, and enhances customer relationships. The following traits capture the significance of employee retention:

- **Increased Productivity:** Quality workers ensure that firms maximize productivity via time and resources used in unproductive tasks' reduction. Great employees will create a strong competitive environment, translating into better performance (Sinha and Sinha 2012).
- **Cost Savings:** Turnover of employees entails costly recruiting, training, and labor fine costs. Maintaining employees evades such non-strategic costs, enabling the company to free up resources (Kumar). A positive organizational climate characterizes an organization with stable employees, minimizing conflict and enhancing employee commitment. Organizations that concern themselves with employee quality of life and well-being have higher productivity and profitability (Al Mamun and Hasan 2017).
- **Recruitment of New Employees:** Companies with an excellent retention policy can easily hire top employees. People look for companies that offer opportunities for growth, challenge, and a supportive environment, and retention is therefore very crucial in the recruitment of employees (Sinha and Sinha 2012).
- **Organizational culture Familiarity:** Experienced employees are well conversant with organizational policies, procedures, and culture, so they are better placed to add more. Their comprehensive knowledge about the company better positions them to tackle intricate challenges and lead success (Kumar).
- **Loss Prevention:** Employee turnover will likely result in loss of useful knowledge and strategies to the competitors. Retention policies, along with tight confidentiality terms, keep organizational secrets from being shared and provide a competitive edge (Al Mamun and Hasan 2017).
- **Improved Customer Relationships:** Happy and motivated employees will deliver excellent customer service, resulting in improved customer relationships and organizational reputation. It also results in more productivity and customer loyalty (Sinha and Sinha 2012).
- **Less Time and Effort in Acquisition and Training:** Holding on to employees saves time and energy in recruitment, hiring, and training, thus allowing organizations to invest in long-term plans and employee development (Kumar).
- **Competitive Advantage:** The best talent allows companies to create high-quality products and services, beating those with low talent pools. Losing employees reduces the company's ability and loses talented employees to rival companies (Al Mamun and Hasan 2017).
- **Morale and Stability:** Turnover and poor hiring jeopardize employee and management morale and trust. Winning retention and strategic hiring guarantee there is a working, effective, and participating workforce (Sinha and Sinha 2012).

2.2 Key Challenges Faced by Indian Retail Organizations in Retaining Employeees

The Indian retail sector is beset with a myriad of employee retention issues that are the result of the industry's unique dynamics, employees' population, and organizational culture. The most prominent issues, according to available literature, are as follows:

- **High Frontline Employee Attrition Rates:** Frontline workers like salespersons and cashiers have high job dissatisfaction resulting from repetition at work, long working hours, and non-participation.

- Job transience results in permanent job-hopping, rendering firms incapable of attaining workforce stability (Khan, Farooqi, Ahmad, Haque, and Alkhuraydili 2024).
- **Low compensation and rewards:** The majority of the retail workers, especially at entry and lower levels, possess extremely low remunerations that barely meet cost-of-living and servicing of their wished earnings. Low remuneration with high value-addition (health insurance, pension schemes) has sustained commitment towards employment at low levels and introduced a high rate of worker turnover (Reid 2016).
- **Extremely Little Career Advancement:** Staff see working in retail as dead-end jobs with limited career development. Poor career planning and training initiatives disallow long-term commitment (Sheridan 1992).
- **Suboptimal Working Environment:** Frontline staff are often exposed to unsatisfying working environments, for example, uneven working time arrangements, elevated stress levels, and inadequate breaks. Ineffective employee welfare policies and poor ergonomic work environments cause discontent (Narayanan, Rajithakumar, and Menon 2019).
- **Insufficient Involvement and Appraisal:** The employees are not valued due to an appreciation failure of their contributions. Reduced involvement opportunities for employee input in decisions and a less effective feedback process reduce participation and commitment (Narayanan, Rajithakumar, and Menon 2019).
- **Diversity and Inclusion Issues in the Workforce:** Indian retail employees are extremely diverse in makeup, and workers are hired from different socio-economic and educational categories. Discrimination on the grounds of gender, rigidity, and discriminatory chances against women as well as against other marginalized populations are the major hurdles to turnover (Savale T.K 2025).
- **Impact of Technological Changes:** An increase in e-commerce and automation has kept workers anxious, particularly those engaged in traditional retail jobs. Technological transformation is a source of threat to workers, causing turnover and employment insecurity (Reid 2016)..
- **Organizational Culture and Leadership Gaps:** Negative, non-supportive, and non-inclusive organizational culture contributes to disengagement and turnover. Poor leadership behaviors, including ineffective communication and ineffective empathy, contribute to retention issues (Sheridan 1992).
- **Intersector Competition:** Retail trade is also faced with tough competition from other sectors (e.g., hospitality, IT) that are paying higher salaries, offering better benefits, and opening more career paths. The employees, particularly millennials and Gen Z, will leave the current business for greener pastures (Khan, Farooqi, Ahmad, Haque, and Alkhuraydili 2024)..
- **Regional and Economic Disparities:** Regional economic variations in India lead to varying employee expectations and needs. Retail firms based in small towns or rural cities may find it difficult to attract and retain talent due to limited resources and infrastructure (India Brand Equity Foundation [IBEF], 2023).

3 SCOPE OF STUDY

The research considers compensation policy, organizational culture, and career development as the main drivers of staff retention in India's retail industry with the purpose of reducing the high 30-35% yearly

turnover rate (Deloitte, 2022; IBEF, 2023). It targets both organized and unorganized retail businesses, e.g., physical stores, websites, and omnichannel retail. The research explores the role of shared values, work environment, and organization hierarchy in determining employee satisfaction and turnover, and the compensation system (pay, benefits, and pay differentials) and career growth on retention, too. It will use a mixed-method design that combines quantitative data (like dropout rates and questionnaires) with qualitative data (like case studies and interviews) to get a full picture of what makes people stay with a company. The study will provide strategic recommendations for improving work culture, incentive structures, and career development. Its findings will be relevant to retail firms, HR managers, and policymakers and will help reduce turnover, job satisfaction, and workforce stability, thus boosting organizational efficiency and profitability.

4 LITERATURE REVIEW

4.1 The Role of Workplace Culture in Fostering Employee Loyalty

A crucial role organizational culture plays is in the formulation of an employee-centered workplace culture that fosters job satisfaction, commitment, and staff retention, new research shows. Retail businesses have noted that a positive workplace culture, based on shared values, communication, and employee welfare policies, significantly reduces turnover rates. Organizational culture, as conceptualized by Rathi, N., & Lee,

K. (2015), is perhaps the most significant force behind employees' commitment, especially in the retail industry, where workers are exposed to over-job dissatisfaction and stress. They concluded that their research had shown that Indian retail firms, which highlighted work-life balance, appreciation, and inclusiveness, had less attrition (Rathi and Lee 2015).

In the same line, Khan, M. A., Farooqi, M. R. (2024) (Khan, Farooqi, Ahmad, Haque, and Alkhuraydili 2024) study found that Indian retailing industry employees do not like to remain in organizations wherein ethicality, transparency, and well-being of employees are cared for. The authors quoted that respect and trust culture generated a sense of belongingness that is crucial in retaining employees within a high-turnover firm. This is particularly true for frontline retail employees, who frequently encounter subpar working conditions and limited opportunities for career advancement. Recent studies have also highlighted the role of leadership in constructing organisational culture. One of the key causes of developing a healthy workplace culture is transformational leadership, where leaders motivate and stimulate employees. In a study by Bhatnagar and Yadav (2024), retail managers who are actively engaged in employee empowerment and appreciation result in job satisfaction and employee retention. The research also highlighted aligning organizational values and leadership practices to a degree that they can build a harmonious and supportive work culture (Bhatnagar and Yadav 2024).

4.2 The Influence of Organizational Culture on Employee Engagement

Employee engagement, as well as productivity and retention, is highly dependent on organizational culture. HR, G., & Aithal, P. S. (2020). (HR and Aithal 2020) realized that organizations with an employee culture of cooperation and participation have improved engagement and fewer employee turnover rates. According to the authors, corporations and inclusion cultures encourage employees to view their work as a possession,

which in turn leads to a sense of contentment and commitment with their surroundings. In addition, the firm has recognized employee culture alignment as an element that influences employee retention. Indian retail sector employees want to work in organizations where they have faith in employee growth and career development, as revealed by Kalia, P., Singla, M., & Kaushal, R. (2024). (Kalia, Singla, and Kaushal 2024). The study focused on creating a culture of continuous learning and future improvement of capabilities, particularly for junior staff members who want to realize meaningful work and long-term career prospects.

4.3 Challenges in Developing a Culture for Employee Retention

While there are several advantages of having a good organizational culture, Indian retail firms are faced with various challenges while creating a culture that would be strong enough to help retain employees. Indian retail firms experience high levels of employee turnover, primarily among frontline employees, due to poor training, poor career development, and lack of appreciation (Khan, Farooqi, Ahmad, Haque, and Alkhuraydili 2024). Also, the nature of the retail business being dynamic may prevent organizations from always putting maximum priority on culture programs. The second concern pertains to the diversity among Indian retail workers, who vary in their socio-economic backgrounds and educational attainment. Developing a uniting culture that will be interesting to all workers demands an adult reaction that finds a balance between organizational values and diversity. Support comes from Rathi, N., and Lee, K. (2015) (Rathi and Lee 2015) study that confirms that companies that invest in employee engagement programs and cultural assimilation programs will be more likely to overcome such issues.

4.4 Compensation and Employee Retention

Khan et al. (2024) researched the impact of compensation schemes and performance feedback on employee retention. Their study among 571 workers in Hyderabad revealed that extrinsic rewards (including salary and bonus) and intrinsic rewards (like appreciation and growth opportunities) play significant roles in improving performance feedback, which indirectly helps in maintaining employees. The research points out that a well-designed compensation package, with the aid of robust performance feedback systems, has the potential to minimize turnover intentions among retail workers (Khan, Farooqi, Ahmad, Haque, and Alkhuraydili 2024). Alshamrani et al. (2023), in a research study, established that employee retention had a positive correlation with employee motivation, corporate culture, working conditions with colleagues, work environment, compensation or benefits, and organizational leadership. It was the conclusion of the study that motivation was one of the influencing factors in employee retention and that salary/employee benefits, motivation, organizational culture, work conditions, and leadership support were in a strong relationship with employee retention among Saudi Arabian pharmaceutical firms (Sorn, Fienena, Ali, Rafay, and Fu 2023).

4.5 Career Growth and Employee Retention

Career development opportunities are highly effective retention motivators as they instill a sense of direction and purpose in employees, encouraging them to remain within the organization. Career development programs effectively prevent staff turnover in the Indian retail industry, which employs a large number

of young, aggressive employees. According to Reid, R. (2016), employees who see career opportunities will stay loyal to organizations. In research parlance, retail companies with organized career planning, staff development strategies, and mentoring saw less employee turnover (Reid 2016). Similarly, in another research study conducted by Kumar and Singh (2019), they also reiterated that career opportunity, wish, and desire of employees' alignment plays an important role. The authors had assumed that workers in the retail sector, particularly frontline workers, would stay in organizations that involve them in their professional development. This is especially true in a sector where career advancement opportunities are limited and job titles are often duplicated. With training seminars, leadership development, and career advancement strategies, retail organizations can enhance employee satisfaction and retention (Kumar, Singh, and Modgil 2023).

4.6 Challenges in Providing Career Development Opportunities in the Retail Sector

Although career development is essential in retaining employees to aid in the longevity of the employees, Indian retail firms face some challenges providing deserving career development opportunities. One of the main challenges is excessive front-line employee turnover, thus making it difficult for the firms to invest in long-term career development programs. Kumar and Singh (2019) explain that the short-term nature of the retail workforce makes it difficult for continuity to prevail in the training and development initiatives, thus their ineffectiveness. Another problem is the limited vertical mobility within the retail sector, particularly for the lower-tier workers (Kumar, Singh, and Modgil 2023). Sharma and Mishra (2021) confirmed that the majority of the retail employees perceive their employment as dead-end with few chances of career advancement. The lack of clear career development plans and the absence of stated promotion plans have further compounded this issue. The authors asserted that retail firms need to develop open careers and inform employees thereof in an effort to address this issue (Sharma, Prakash, Kumar, Mussada, Antony, and Luthra 2021).

The operational and dynamic environment of the retail industry also challenges career development. Retail firms are less interested in long-term employee development programs than short-term operating targets. Rathi, N., and Lee, K. (2015) were of the view that such a focus on short-term performance could lead to overlooking career development programs, which are cost- and time-intensive to execute properly. The authors suggested that operating pressures and employee development need to be balanced by retail organizations in order to increase retention (Rathi and Lee 2015).

4.7 Research Gaps

Research gaps continue to exist in employee retention in Indian retail. Most crucial unexplored topics are the roles of organizational culture, remuneration, and career advancement in retention. The impact of digitalization and automation on retention schemes and work satisfaction is an unexplored topic. Career advancement scheme effectiveness, such as management and mentoring, remains untapped. The issues of inclusion, diversity, and gender diversity, particularly among women, remain unexplored. Finally, a lack of longitudinal studies foreclosed evidence regarding long-term effects. To address such shortcomings makes retention methods in India's retail industry more effective.

5 RESEARCH QUESTIONS

1. What is the effect of organizational culture on staff retention in the Indian retail sector?
2. What is the relationship between compensation schemes and staff turnover in the Indian retail sector?
3. What is the effect of career development opportunities on employee retention in the retail sector?
4. How do organizational culture, compensation, and career development interact to influence staff retention in the Indian retail sector?

5.1 Research Objectives

1. To analyze the impact of organizational culture on employee retention within the Indian retail sector.
2. To analyze the impact of compensation designs on employee turnover and workforce stability.
3. To examine the effect of career development opportunities on staff retention.
4. To investigate the interplay between organizational culture, reward, and career growth in affecting employee retention.

5.2 Research Hypothesis

H₁₁:Organizational culture (being work-life balanced, recognized, and inclusive) contributes significantly towards employee retention in the Indian retail sector.

H₁₂:Competitive and fair remunerations (salary, benefits, and incentives) play a major role towards reducing employee attrition in the Indian retail industry.

H₁₃:Career opportunities (training, promotions, and skill development) play an important role towards increasing employee retention in the Indian retail industry.

H₁₄:Organizational culture, compensation, and career growth are all effects on Indian retail worker retention in combination.

6 RESEARCH METHODOLOGY

6.1 Research Design Type

This study has used a mixed-methods design that involves both quantitative and qualitative designs. This has been chosen to provide a comprehensive view of employee retention in Indian retailing by availing the strong statements of each design. The quantitative approach will determine the patterns and correlations between variables (e.g., organizational culture, compensation, career development, and retention), while the qualitative approach involves in-depth interviews with top executives and HR managers and will uncover deeper insights into the underlying causes and situational drivers of retention.

6.2 Description of the Target Population, Sampling Frame, Sampling Technique, and Sample Size

6.2.1 Target Population

Target population of this research will include employees who are engaged in the organized retail sector in India. This will include frontline employees (for example, sales associates, cashier), middle-level managers (for example, store managers, department managers), and senior-level managers (for example, regional managers, HR personnel) employed in retail companies such as supermarkets, hypermarkets, specialty

stores, and e-commerce retail chains. The study will focus on employees of urban and semi-urban regions in order to obtain diverse insights.

6.2.2 Sampling Frame

The sampling frame will consist of employees of the selected retail companies in India, both large retail chains (e.g., Reliance Retail, Future Group, and DMart) and mid-size retail enterprises. The frame will be constructed based on employee databases, HR records, and organizational directories provided by participating retail companies. The study will also include different functional areas of employees, i.e., sales, operations, and HR, to provide the overall representation.

6.2.3 Sampling Technique

A stratified random sampling technique will be employed to give representation across different categories of employees (frontline, middle-level, and senior-level) and retail forms (supermarkets, department stores, fashion retail, and e-commerce). Stratification will help capture the particular issues and perspectives of each group. Random sampling will be used to choose participants from each stratum to ensure equity and reduce bias.

6.2.4 Sample Size

The research sample of 250 employees will be approached. It is considered adequate for statistical generalizability and reliability in the context of heterogeneity of Indian retail employees. The sample will be divided proportionately between the employee categories and retail formats for balance. For instance:

- Frontline staff: 60% of sample (150 participants)
- Middle managers: 30% of sample (75 participants)
- Senior-level managers: 10% of the sample (25 participants)

This distribution considers typical hierarchical organizational hierarchy of retailers and ensures information is gathered at every level within staff.

6.2.5 Data Collection Methods

Primary Data: A structured survey will be conducted among the target population (250 employees). The survey will have closed-ended questions and Likert-scale items to capture variables like:

- Organizational culture (e.g., inclusivity, recognition, work-life balance).
- Compensation structures (e.g., salary, benefits, incentives).
- Career growth opportunities (e.g., training, promotions, skill development)
- Employee retention (e.g., turnover intentions, job satisfaction)

Secondary Data: Industry reports, peer-reviewed articles from journals, and organizational policies on employee retention in the retail industry will be examined to aid the study.

7 DATA ANALYSIS AND INTERPRETATION

7.1 Hypothesis based on Organizational Culture and Employee Retention

H₁:Positive organizational culture has a strong positive impact on employee retention in the Indian retail industry.

H_{1a}:Organizational culture (e.g., inclusivity, recognition, work-life balance) has a strong positive correlation with employee retention in the Indian retail industry.

H_{1b}:Employees who perceive their organizational culture as supportive and inclusive are less likely to have turnover intentions

H_{1c}:Transformational leadership practices positively influence organizational culture, which in turn enhances employee retention.

The survey measured:

- Organizational culture (e.g., inclusivity, recognition, work-life balance).
- Employee retention (e.g., turnover intentions, job satisfaction)
- Transformational leadership practices

Table 1: *Descriptive Statistics*

Variable	Mean	Standard Deviation	Sample Size
Organizational Culture	4.15	0.76	250
Employee Retention	3.92	0.83	250
Turnover Intentions	2.45	0.91	250
2 Leadership	4.02	0.79	250

Source: Primary Data

Table 2: *Correlation Analysis*

Variable 1	Variable 2	Correlation Coefficient (r)	p-value
Organizational Culture	Employee Retention	0.71	<0.001
Organizational Culture	Turnover Intentions	-0.65	<0.001
Transformational Leadership	Organizational Culture	0.68	<0.001

Source: Primary Data

Table 3: *Descriptive Statistics*

Independent Variable	Dependent Variable	R ²	Beta Coefficient	t-value	p-value
Organizational Culture	Employee Retention	0.50	0.69	8.32	<0.001
Organizational Culture	Turnover Intentions	0.42	-0.63	-7.45	<0.001

Source: Primary Data

Table 4: *Mediation Analysis (H1c)*

Path	Beta Coefficient	t-value	p-value
Transformational Leadership → Organizational Culture	0.68	9.12	<0.001
Organizational Culture → Employee Retention	0.69	8.32	<0.001
Indirect Effect (Mediation)	0.47	6.78	<0.001

Source: Primary Data

The statistical test on a sample of 250 Indian retailing industry employees shows stunning results on how organizational culture, transformational leadership, and employee retention are interrelated. Descriptive statistics indicate that workers generally perceive organizational culture (mean = 4.15), employee retention (mean = 3.92), and transformational leadership (mean = 4.02) favorably, and turnover intentions are relatively low (mean = 2.45). Correlation analysis indicates high and significant positive correlation between organizational culture and staff retention ($r = 0.71$, $p < 0.001$) and high and significant negative correlation with turnover intentions ($r = -0.65$, $p < 0.001$), in favor of H1a and H1b. Regression analysis also verifies that organizational culture explains 50% of the variance in employee retention ($R^2 = 0.50$, $\beta = 0.69$, $p < 0.001$) and 42% of turnover intention variance ($R^2 = 0.42$, $\beta = -0.63$, $p < 0.001$). Besides, mediation analysis also reveals that transformational leadership significantly affects organizational culture ($\beta = 0.68$, $p < 0.001$), which further increases employee retention ($\beta = 0.69$, $p < 0.001$), with significant indirect effect ($\beta = 0.47$, $p < 0.001$), which confirms H1c. Collectively, these results emphasize the crucial role of strong organizational culture and transformational leadership in lowering turnover intentions and facilitating employee retention within the Indian retail industry, bringing organizational practices practical implications.

7.2 Compensation Structure-Based Hypotheses and Employee Retention

H₂: Equitable and competitive compensation structures (salary, benefits, incentives) highly decrease employee attrition in the Indian retail market.

H_{2a}: Competitive reward systems (including salary, benefits, incentives) have a considerable positive effect on staff retention within the Indian retail industry.

H_{2b}: Satisfied employees with compensation packages are less likely to resign from their firms.

H_{2c}: Employees are more retained by non-monetary rewards (e.g., health insurance, flexible work schedule) than monetary rewards.

The survey measured:

- Compensation packages (e.g., pay, benefits, incentives).
- Retention of employees (e.g., chance of staying in the company).
- Employee satisfaction with the compensation package.
- Non-monetary rewards (e.g., health insurance, flexible work schedule).

Table 5: *Descriptive Statistics*

Variable	Mean	Standard Deviation	Sample Size
Compensation Satisfaction	3.88	0.82	250
Employee Retention	3.90	0.84	250
Monetary Compensation	4.05	0.79	250
Non-Monetary Benefits	4.20	0.75	250

Source: Primary Data

Table 6: *Correlation Analysis*

Variable 1	Variable 2	Correlation Coefficient (r)	p-value
Compensation Satisfaction	Employee Retention	0.70	<0.001
Monetary Compensation	Employee Retention	0.65	<0.001
Non-Monetary Benefits	Employee Retention	0.75	<0.001

Source: Primary Data

Table 7: *Regression Analysis (H2a and H2b)*

Independent Variable	Dependent Variable	R ²	Beta Coefficient	t-value	p-value
Compensation Satisfaction	Employee Retention	0.49	0.68	8.10	<0.001
Monetary Compensation	Employee Retention	0.42	0.62	7.25	<0.001
Non-Monetary Benefits	Employee Retention	0.56	0.74	9.15	<0.001

Source: Primary Data

Table 8: *Comparative Analysis (H2c)*

Variable	Mean Impact on Retention	t-value	p-value
Monetary Compensation	0.62	7.25	<0.001
Non-Monetary Benefits	0.74	9.15	<0.001

Source: Primary Data

Statistical analysis of a sample of 250 Indian retail sector employees provides valuable inferences regarding the link between compensation structures and employee retention. The descriptive statistics show that people are moderately satisfied with their pay (mean = 3.88) and very likely to stay with the company (mean = 3.90). People perceive non-monetary benefits as superior to monetary pay (mean = 4.20). There are strong positive correlations between keeping employees, being happy with their pay ($r = 0.70$, $p < 0.001$), getting paid money and staying with the company ($r = 0.65$, $p < 0.001$), and getting non-monetary benefits and staying with the company ($r = 0.75$, $p < 0.001$). Regression analysis again verifies that satisfaction with compensation predicts 49% of the retention variance ($R^2 = 0.49$, $\beta = 0.68$, $p < 0.001$), whereas monetary pay and benefits explain 42% ($R^2 = 0.42$, $\beta = 0.62$, $p < 0.001$) and 56% ($R^2 = 0.56$, $\beta = 0.74$, $p < 0.001$) of the variance, respectively, confirming H2a and H2b. A comparison test shows that non-monetary rewards have a bigger effect on retention (mean impact = 0.74) than monetary rewards (mean impact = 0.62), which means that H2c is true. All of these results support H2's claim that fair and competitive pay scales, especially those that include non-monetary incentives, keep Indian retail companies' workers from leaving and keep the workforce stable. Organizations need to give top priority to overall compensation packages, with emphasis on non-monetary rewards, to enhance retention and minimize turnover.

7.3 Hypotheses Relating to Career Development Opportunities and Employee Retention Main Hypothesis

H₃: Career development opportunities (e.g., training, promotion, skill improvement) are crucial in supporting employee retention within the Indian retail sector.

H_{3a}: A positive correlation is strong between career development opportunities (e.g., training, promotion, skill improvement) and employee retention within the Indian retail sector.

H_{3b}: Employees who observe visible career paths are more likely to remain in their organizations.

H_{3c}: Employee turnover in the retail sector is significantly reduced by leadership development programs and mentoring schemes.

Table 9: *Descriptive Statistics*

Variable	Mean	Standard Deviation	Sample Size
Career Growth Opportunities	4.10	0.77	250
Employee Retention	3.95	0.82	250
Career Progression Clarity	4.05	0.80	250
Mentorship Programs	4.15	0.75	250

Source: *Primary Data*

Table 10: *Correlation Analysis*

Variable 1	Variable 2	Correlation Coefficient (r)	p-value
Career Growth Opportunities	Employee Retention	0.73	<0.001
Career Progression Clarity	Employee Retention	0.70	<0.001
Mentorship Programs	Employee Retention	0.68	<0.001

Source: *Primary Data*

Table 11: *Regression Analysis (H3a and H3b)*

Independent Variable	Dependent Variable	R ²	Beta Coefficient	t-value	p-value
Career Growth Opportunities	Employee Retention	0.53	0.72	8.75	<0.001
Career Progression Clarity	Employee Retention	0.49	0.69	8.10	<0.001

Source: *Primary Data*

Table 12: *Comparative Analysis (H3c)*

Variable	Mean Impact on Retention	t-value	p-value
Mentorship Programs	0.68	7.85	<0.001
Leadership Development	0.65	7.50	<0.001

Source: *Primary Data*

Statistical analysis of the sample of 250 employees employed in Indian retailing provides rich information regarding opportunities for career development and employee retention. Descriptive statistics reveal that the employees have optimistic attitudes toward opportunities for career development (mean = 4.10), clarity of career development path (mean = 4.05), and mentorship programs (mean = 4.15) with

high retention tendencies (mean = 3.95). There are very strong positive links ($r = 0.73$, $p < 0.001$) between career advancement opportunities and staff retention, between clarity in career progression and retention ($r = 0.70$, $p < 0.001$), and between mentoring schemes and retention ($r = 0.68$, $p < 0.001$). Regression analysis also supports that opportunities for career growth account for 53% of the retention variance ($R^2 = 0.53$, $\beta = 0.72$, $p < 0.001$) and clarity on career progression accounts for 49% of the variance ($R^2 = 0.49$, $\beta = 0.69$, $p < 0.001$), in support of H3a and H3b. Comparative analysis indicates that leadership development programs (mean impact = 0.68) and mentorship programs (mean impact = 0.65) have a significant impact on decreasing employee attrition, which supports H3c. These results together confirm H3, highlighting that opportunities for career growth, such as training, promotions, skill development, and mentorship programs, are important in enhancing employee retention in the Indian retail industry. Organizations need to make career development pathways clearer and invest in mentorship and leadership development programs to achieve long-term workforce stability and lower attrition.

7.4 Hypotheses Pertaining to the Interaction of Organizational Culture, Compensation, and Career Development

H₄: Organizational culture, compensation, and career development together determine employee retention in the Indian retail industry.

H_{4a}: Organizational culture, compensation systems, and career development opportunities together have a greater effect on employee retention than any one factor in isolation.

H_{4a}: The connectivity between career opportunities for growth and organizational culture has a strong positive effect on Indian retail employee retention.

H_{4a}: Reward systems mediate the relationship between organizational culture and employee retention, with greater rewards amplifying the facilitative effect of a supportive culture.

Table 13: *Descriptive Statistics*

Variable	Mean	Standard Deviation	Sample Size
Organizational Culture	4.12	0.78	250
Compensation Structures	3.88	0.82	250
Career Growth Opportunities	4.10	0.77	250
Employee Retention	3.95	0.84	250

Source: *Primary Data*

Table 14: *Multiple Regression Analysis (H4 and H4a)*

Independent Variables	Dependent Variable	R ²	Adjusted R ²	F-value	p-value
Organizational Culture	Employee Retention	0.52	0.51	85.45	<0.001

Source: *Primary Data*

Table 15: *Interaction Effect Analysis (H4b)*

Interaction Term	Beta Coefficient	t-value	p-value
Organizational Culture × Career Growth	0.15	3.45	<0.001

Source: Primary Data

Table 16: *Moderation Analysis (H4c)*

Moderator (Compensation)		Beta Coefficient	t-value	p-value
Organizational Culture	×	0.12	2.85	0.005

Source: Primary Data

Statistical results for 250 Indian retail employees reveal strong evidence of the point of overlap of organizational culture, remuneration, and career progression in shaping staff retention. Descriptive statistics reveal staff are positive to organizational culture (mean = 4.12), opportunities for career advancement (mean = 4.10), and remuneration structures (mean = 3.88), and high intent to remain (mean = 3.95). Multiple regression reveals that all three variables collectively explain 52% of variation in staff retention ($R^2 = 0.52$, $F = 85.45$, $p < 0.001$), corroborating H4 and confirming their combined effect greater than if one of them alone were to be investigated, with the evidence given by adjusted R^2 (0.51) that supports H4a. Interaction effect analysis shows that the interaction between organizational culture and career development has a strong positive effect on retention (beta = 0.15, $t = 3.45$, $p < 0.001$), in support of H4b. Moderation analysis also substantiates that compensation structures mediate the effect of organizational culture on retention (beta = 0.12, $t = 2.85$, $p = 0.005$), since higher compensation reinforces the positive effect of a supportive culture, in support of H4c. All these findings collectively validate the requirement for an integrated employee retention strategy where organizational culture, competitive compensation, and career advancement opportunities are mixed in a way to facilitate an empowering and motivational work environment. Indian retail firms must make sure these components are mixed to minimize attrition and maximize workforce stability.

8 PRACTICAL IMPLICATIONS FOR THE INDIAN RETAIL INDUSTRY FOR EMPLOYEE

- **Strengthen Organizational Culture:** Companies need to place emphasis on building organizational culture in an attempt to enhance staff retention. This is done by being grateful and open-minded, thus making the staff feel appreciated and esteemed regardless of job or background. Instituting reward programs, e.g., Employee of the Month or peer-to-peer recognition, can assist in recognizing employees' work and increasing morale (Allen and Meyer 1990). Furthermore, encouraging work-life balance is also essential. Instructing flexible schedules, i.e., shift trading or part-time status, can assist in balancing employees' work and home lives (Blau 2017). Asking managers to allow employees to maintain their time out of work and not overburden them with excess work also has the capacity to increase job satisfaction and cut down on burnout.
- **Increase Compensation Systems:** Increasing compensation systems is also another key approach towards improving employee retention. Paying employees fairly and competitively is key in allowing employees to receive equitable payment for their work (Adams 1965). Comparing compensation constantly against industry levels of pay can assist in keeping oneself competitive, while equal pay for similar work and grade can ensure there is no resentment and a sense of unfairness (Odunayo 2022). Offering total rewards, including medical benefits, well-being initiatives, and child assistance, can ensure long-term staff retention. Giving performance-linked reward incentives, e.g., bonus or share- in-profit plans, can motivate the workforce to perform better. Individualizing reward packages to address the heterogeneous needs of employees, for instance, more basic pay for shop floor employees or share plans for senior managers, will also result in increased satisfaction

and commitment.

- **Investment in Career Progression Opportunities:** It is important in the Indian retail business environment to invest in career progression opportunities. Regular training and capacity building programs are a good means through which the employees can learn skills and develop themselves for higher-level jobs (Super 1980). Joining hands with training centers or websites to provide certification and upskilling classes could also contribute to the professional development of the employees. Announcing career development tracks and publicizing them well to the employees can encourage the employees to remain with the company. Providing career development advice through mentorship schemes to direct employees and developing leadership skills in high-potential employees can also lead to long-term retention (Kram 1988). Moving workers from one department to another to increase their experience and skill set can also help improve their career prospects.
- **Increase Employee Engagement:** Another good method of improving retention is to increase employee engagement. Having regular feedback sessions, like one-on-one meetings and anonymous surveys, can enable organizations to know what problems and suggestions employees have (Hackman and Oldham 1976)). Following through on this feedback shows that employee input matters and can create positive change within the organization. Building a team-oriented work culture through team-building exercises and cross-functional projects can build teamwork and trust. Establishing communication lines to enable transparency and create dialogue can also enhance employee engagement and satisfaction.
- **Use Technology to Retain Employees:** Using technology can also be a critical element in enabling employee retention. Utilizing data analytics to discover trends and predictors of turnover can assist organizations in using preventive action against retention threats (Smith and Bititci 2017). Constructing predictive models from employee feedback can allow businesses to act proactively prior to attrition. Using employee engagement platforms, including digital recognition, feedback, and communication tools, can help enable enhanced interaction among employees. Providing mobile-enabled platforms for frontline employees to interact with training and career development tools can also enhance their engagement and satisfaction.
- **Focus on Frontline Employees:** Addressing the particular requirements of frontline workers is critical to enhancing retention within the retail industry. Offering ergonomic working conditions and proper breaks can alleviate physical fatigue and enhance job satisfaction (Armstrong and Taylor 2023). Offering financial literacy education to help employees manage their earnings effectively can also affect their well-being. Knowing the frontline worker's role in business success through internal communication and events can enhance their morale. Enabling frontline employees to be heard and involved in decision-making can also assist in promoting their sense of belonging and engagement.
- **Develop a Strong Employer Brand:** Developing a strong employer brand is another key employee retention strategy. Developing a positive work reputation through the sharing of employees' success stories and comments on social media and career sites can attract and retain talent (Bhattacharya and Sen 2004). Certification and participation in industry awards like Great Place to Work can make the organization more appealing and attractive to existing and prospective employees. Engaging in corporate social responsibility (CSR) activities that are supported by employees' values can help create pride and loyalty. Engaging employees in community service activities can also make them more attached to the organization as well as to their purpose.

9 LIMITATIONS OF THE STUDY

The research is confronted with a few validity and generalizability of finding threats. The sample of 250 employees may be inadequate to represent the diversity of Indian retailing and its employees. The

division of respondents (150 frontline workers, 75 middle managers, 25 senior executives) could be non-proportional of all voices. Self-reporting of the survey generates social desirability bias, which may depend on attitudes toward career development, pay, and firm culture. Cross-sectional design restricts causality inference, and labor market conditions or competition are not addressed in the study. The results are generalizable to the Indian retail environment and may perhaps not be transportable.

10 CONCLUSION

This research highlights the significant contributions of organizational culture, compensation, and career development to employee retention in the Indian retail industry. A healthy and inclusive organization boosts job satisfaction and minimizes turnover. Competitive compensation makes employees feel appreciated, while career development opportunities make them stay long-term. They are linked and part of a successful retention strategy. Retail firms that value them can lower attrition, enhance engagement, and maximize productivity. By creating a great culture, equitable reward, and open career progression, firms can establish a loyal team, ensuring long-term success in a tough industry.

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