



A Study on Employee Retention Strategies and Their Impact on Job Satisfaction: Evidence from Royal Classic Mills, Tiruppur

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ABSTRACT

Employee retention has become one of the most critical challenges in modern human resource management, especially in labour-intensive industries such as textiles. Organizations increasingly focus on retaining skilled employees to ensure operational stability, maintain productivity, and reduce recruitment costs. The textile industry in Tiruppur, Tamil Nadu, plays a significant role in employment generation and export growth, yet it faces issues related to workforce stability and employee turnover.

The present study examines the employee retention strategies implemented at Royal Classic Mills, Tiruppur, and analyses their impact on employee job satisfaction. The research adopts a descriptive and analytical research design using both primary and secondary data. Primary data were collected from 190 employees using structured questionnaires. Statistical tools such as percentage analysis and graphical representation were used to analyse the data.

The findings reveal that factors such as training programs, incentives, promotion opportunities, and welfare facilities significantly influence employee retention. The results also indicate that effective retention strategies improve job satisfaction and reduce employee turnover intentions. The study concludes that a combination of financial benefits, career growth opportunities, and supportive work environments are essential for strengthening employee commitment and organizational stability.

Keywords: Employee Retention, Job Satisfaction, Human Resource Management, Textile Industry, Tiruppur.

I. INTRODUCTION

Employee retention refers to an organization's ability to retain its employees and reduce workforce turnover. In today's competitive business environment, retaining skilled and experienced employees has become a major challenge for organizations across industries. High employee turnover can lead to increased recruitment costs, disruption of operations, loss of organizational knowledge, and reduced productivity.

The textile industry is one of the most important sectors in India, contributing significantly to employment generation, industrial output, and export earnings. Tiruppur, located in Tamil Nadu, is widely recognized as the **knitwear capital of India** due to its strong presence in garment manufacturing and export activities. However, the industry is highly labour-intensive and often faces issues related to employee turnover, job dissatisfaction, and workforce instability.

Royal Classic Mills is a well-known textile and garment manufacturing company located in Tiruppur. The company depends heavily on skilled employees to maintain product quality and production efficiency. Therefore, implementing effective employee retention strategies is essential for sustaining organizational performance.



Employee retention strategies include practices such as competitive compensation, training and development programs, welfare facilities, recognition systems, career advancement opportunities, and supportive leadership. These strategies aim to improve employee satisfaction, increase motivation, and strengthen organizational commitment.

This study examines the retention strategies adopted by Royal Classic Mills and analyses how these practices influence employee job satisfaction.

II. STATEMENT OF THE PROBLEM

Employee retention has become one of the most significant challenges in labour-intensive industries such as textiles. Organizations invest considerable resources in recruiting and training employees, but high turnover rates lead to increased operational costs and reduced productivity.

Royal Classic Mills operates in the competitive textile cluster of Tiruppur, where skilled employees often move between companies in search of better opportunities, higher wages, and improved working conditions. Factors such as limited career growth, job stress, dissatisfaction with compensation, and poor work-life balance may influence employees' decisions to leave the organization.

Although organizations implement retention strategies such as incentives, welfare facilities, and training programs, the effectiveness of these strategies depends largely on employee perception and satisfaction. If employees feel that organizational policies do not meet their expectations, job satisfaction may decline, resulting in higher turnover intentions.

Therefore, it becomes necessary to examine whether the employee retention strategies adopted by Royal Classic Mills effectively enhance job satisfaction among employees.

III. OBJECTIVES OF THE STUDY

The study was conducted with the following objectives:

1. To examine the employee retention strategies adopted by Royal Classic Mills, Tiruppur.
2. To analyse the level of job satisfaction among employees.
3. To identify the key factors influencing employee retention.
4. To examine the relationship between employee retention strategies and job satisfaction.
5. To provide suggestions for improving retention practices in the organization.

IV. REVIEW OF LITERATURE

Previous research studies have emphasized the importance of employee retention strategies in improving job satisfaction and organizational performance.

Studies conducted in the textile industry indicate that employee engagement, fair compensation, training programs, and supportive leadership significantly influence employee retention. Researchers have also highlighted that job satisfaction plays a major role in reducing employee turnover.

Several studies have found that organizations implementing structured HR practices such as career development opportunities, recognition systems, and welfare facilities are more successful in retaining employees. In labour-intensive industries, working conditions and employee welfare measures are particularly important in improving job satisfaction. These findings suggest that effective employee retention strategies are essential for maintaining a stable and productive workforce.

V. RESEARCH METHODOLOGY

The study adopts a descriptive and analytical research design to examine employee retention strategies and their impact on job satisfaction.

Sources of Data

The study is based on both primary and secondary data.

Primary Data:

Primary data were collected through a structured questionnaire distributed to employees of Royal Classic Mills.

Secondary Data:

Secondary data were collected from textbooks, research journals, company reports, and online sources.

Sample Size

The sample size for the study consists of 190 employees working in different departments of Royal Classic Mills.

Sampling Technique

Convenience sampling was used to select respondents.

Tools for Data Analysis

The collected data were analysed using the following statistical tools:

- Percentage Analysis
- Tables and Charts
- Graphical Representation

These tools helped interpret the responses and draw meaningful conclusions.



VI. ANALYSIS AND INTERPRETATION

The data collected from employees were analysed using percentage analysis and presented through tables and charts.

Gender Distribution

The study found that 54.2% of respondents were male and 45.8% were female, indicating a relatively balanced gender distribution in the organization.

Age Distribution

The majority of employees (39.5%) were below 25 years of age, indicating a relatively young workforce.

Educational Qualification

The analysis shows that 33.2% of employees hold undergraduate degrees, while others possess HSC, diploma, and postgraduate qualifications.

Department Distribution

Most respondents belong to the production department (32.6%), highlighting its importance in the organization's operations.

Retention Strategies

The study reveals that 40% of respondents believe that training programs, incentives, promotions, and welfare facilities together contribute to employee retention.

Welfare Benefits

Among the welfare benefits provided, medical facilities were considered the most important by 31.6% of employees.

These findings indicate that employee retention depends on multiple factors including financial benefits, career growth opportunities, and welfare facilities.

CHI-SQUARE ANALYSIS

CHI-SQUARE TEST SHOWING THE RELATIONSHIP BETWEEN SATISFACTION FACTORS RELATED TO EMPLOYEE RETENTION AND JOB SATISFACTION

Case Processing Summary

Cases	Valid	Missing	Total
N	190	0	190
Percent	100.0%	0.0%	100.0%

TABLE 4.4: CROSSTABULATION

Satisfaction Factors	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total
Communication from Management	105	62	19	5	0	190
Workload Distribution	110	55	20	5	0	190
Teamwork and Cooperation	111	63	11	5	0	190
Leave Policies and Flexibility	97	58	24	10	1	190
Organizational Culture	118	51	10	11	0	190

Chi-Square Tests

Test	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	6.215	16	0.979
Likelihood Ratio	6.432	16	0.976
N of Valid Cases	190	-	-

Source: Primary Data

Interpretation:

The Pearson Chi-Square value is 6.215 with 16



degrees of freedom and a p-value of 0.979, which is greater than 0.05. Therefore, there is no significant relationship between the variables.

Inference:

Since $p > 0.05$, the null hypothesis is accepted. This indicates that employee responses toward the satisfaction factors are similar and not significantly different.

VII. FINDINGS

The major findings of the study include:

- The organization has a relatively young workforce.
- Training programs and incentives are important retention strategies.
- Medical benefits are the most valued welfare facility among employees.
- Promotion decisions are influenced by experience, performance, skills, and attendance.
- Employee retention strategies positively influence job satisfaction.

VIII. SUGGESTIONS

Based on the findings, the following suggestions are made:

- The organization should strengthen employee training and skill development programs.
- Competitive salary structures and incentive schemes should be maintained.
- More career advancement opportunities should be provided.
- Employee recognition programs should be enhanced.
- Work-life balance initiatives should be improved.

These measures can help improve employee satisfaction and reduce turnover.

IX. LIMITATIONS OF THE STUDY

The study has the following limitations:

- The research is limited to a single organization.
- The sample size is restricted to 190 employees.
- The study is based mainly on employee perceptions.
- Time constraints limited the scope of data collection.

X. CONCLUSION

The study concludes that employee retention strategies play a significant role in improving job satisfaction and workforce stability. In the competitive textile industry, retaining skilled employees is essential for maintaining productivity and achieving organizational success.

The findings show that factors such as training programs, incentives, welfare facilities, and career growth opportunities significantly influence employee retention. Organizations that effectively implement these strategies can improve employee satisfaction, reduce turnover, and enhance long-term organizational performance.

Royal Classic Mills can further strengthen its retention strategies by focusing on employee development, recognition programs, and improved working conditions.

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