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The Impact of Employee Retention Strategies on Organizational Performance at Ramesh Flowers Pvt Ltd, Thoothukudi

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Abstract

With the rapid changes and fierce competition in today's business landscape, workforce retention is becoming a strategic imperative for companies that want to maintain performance and growth. The present study explores the role of employee retention practices on performance of the organization Ramesh Flowers Pvt Ltd, Thoothukudi, one of the most renowned manufacturers of home fragrance and botanical décor products, exporting to the world. The research is directed at understanding the nature of the relationship between employee retention strategies like compensation, job security, safety, supervisor support, and career development and employee satisfaction and performance. A structured questionnaire was used to obtain primary data from the employees of the company (N=92) and secondary data was obtained from journals, company reports and academic sources. The data were analyzed using statistical tools such as Mean Score Analysis, Chi-Square Test and Pearson's Correlation. The results show that retention measures do make a difference in employee satisfaction and performance, with safety and being valued the most important factors. The main area identified that needs to be improved is the Career Growth Opportunities. The study findings indicate that retention strategies have a significant impact on organizational performance, and organizations need to take a comprehensive approach to reduce employee turnover and cultivate a stable and productive workforce.

Keywords: Career Development, Compensation, Employee Retention, Job Satisfaction, Manufacturing Industry, Organizational Performance, Workforce Stability.

Introduction

As organizations have become digital, so, too, has the competition for skilled talent. Digitalization has changed how organizations work, and the competition for skilled talent has changed how organizations approach human resources. Retaining employees—the capacity of an organization to maintain stable, engaged and productive staff—is one of the most urgent strategic challenges today, across a broad

spectrum of industries. Firms that can't keep their experienced staff will have to spend more on hiring and developing new workers, miss out on institutional knowledge, and experience loss of continuity during operation.

As a hand-made and labour-intensive manufacturing company in the larger framework of the international GALA Group, the retention of skilled employees is a vital necessity for Ramesh Flowers Pvt Ltd and not just an HR issue. Majority of workers are women and they work in specific processes like drying flowers, blending perfumes, and decorative skills which are developed over several years and are difficult to learn. The company exports its products to more than 75 countries, and having such talent is directly linked to the quality, consistency and global competitiveness of its products. The aim of this study is to explore the correlation between the employee retention strategies such as compensation, safety measures, job security, supervisor support, and career growth opportunities with employee satisfaction and organizational performance of Ramesh Flowers Pvt Ltd. using statistical techniques, which can be used to design and implement better employee retention strategies.

Literature Review

Nayeema and Sravanthi (2025) examined the issues of employee attrition in the IT Industry and found factors such as career growth, work-life balance, salary, and culture that influence retention. The study highlighted that creating a holistic approach which involves aligning the goals of the employee with the goals of the organisation is important and also concluded that an effective retention strategy helps to enhance the organizational performance and competitive sustainability.

Nath and Singh (2025) discuss the strategic relevance of employee retention for organizational success because retaining skilled employees boosts productivity, employee morale, and employee knowledge of the organization. It was discovered that effective leadership and retention practices play an important role in reducing employee turnover.

In the Ghana Police Service (GPS), Darko et al. (2024) examined the link between employee retention and organizational performance, and they found that effective employee retention practices have a positive impact on employee morale, job satisfaction and productivity. The study highlighted the need for supportive and inclusive working environments to ensure long-term stability of the organisation.

Lawrence and Koffi (2023) studied the effect of retention strategies on organizational performance in manufacturing companies in Nigeria. Analysis of the factors influencing employees' performance and productivity in the organizations suggests that good HR practices and effective work environment, compensation and training are observed to have a positive influence, thus supporting the need to have supportive employee retention policies in manufacturing sectors.

Manoj and Namratha (2021) studied retention strategies used by the IT firms in Bengaluru and performed T test analysis to conclude that competitive salary, performance based compensation and effective training program plays a significant role in improving retention. The research findings showed the need for a set of HR practices, not just the one.

Al Kurdi et al. (2020) investigated the retention factors in the banking sector and found that economic security, psychological security, affiliation, and self-actualization are the factors which play an important role in this sector. The study demonstrated that there is a direct link between employee retention and the performance of the organization because of the contributions of employee retention in ensuring the maintenance of skilled human resources and improving the productivity of the organization.

Research Gap

According to literature review, most studies on employee retention strategies focus on general aspects like pay, satisfaction at work and workplace, mostly in large organizations or in the service sector. Comparatively little research, however, has been conducted on labour intensive and skill-based manufacturing industries, where the nature of work, employee demographics and expectations vary considerably. Previous research has not adequately investigated some of the factors that have been shown to have a strong relationship with retention in such industries, including operational factors like workload, repetitive duties and gender-specific welfare requirements. Also, few comprehensive studies have been conducted that support a relationship between employee retention practices and organizational performance measures such as productivity, efficiency, and organizational stability in the handmade and creative manufacturing settings. This study is meant to answer these questions, and to do so, it provides a narrow analysis in a context appropriate to the industry.

Research Methodology

The type of research used in the study is descriptive research which describes the existing retention practices and how it affects the organization performance in Ramesh Flowers Pvt Ltd. The total population of the study includes all employees of all the departments such as Production, Import, Packing, Quality Control and R&D. A sample size of 92 was determined using the sample size formula at 95% confidence level ($Z = 1.96$, $p = 0.5$, $e = 0.05$) and simple random sampling was used to select the respondents with equal probability of being selected. Structured questionnaires were used to collect primary data and company reports, journals, and academic publications were used to gather secondary data. The study period was three months between January 7, 2026 and April 6, 2026. Data analysis techniques used to draw conclusions from the data are Mean Score Analysis, Chi-Square Test and Pearson correlation Analysis.

Research Objectives

- To explore the strategies of key employees' retention in handmade and creative industries.
- To assess the satisfaction of employees on the current retention initiatives.

Demographic Profile of Respondents

Table 1 Demographic Profile of Respondents

Variable	Category	Frequency	Percentage
Gender	Male	24	26
	Female	68	74
Age Group	Below 20 years	18	20
	21-30 years	34	37
	31-40 years	22	24
	41-50 years	18	20
Educational Qualification	SSLC	20	22
	HSC	26	28
	Diploma	18	20
	Undergraduate	28	30

Work Experience	0–1 year	24	26
	2–5 years	30	33
	6–10 years	22	24
	Above 10 years	16	17
Monthly Income (Rs.)	Up to 5,000	18	20
	5,000–10,000	30	33
	10,000–20,000	26	28
	Above 20,000	18	20

Source: Primary Data

The demographic analysis shows that the gender distribution of the respondents is nearly similar to the nature of handmade manufacturing industry in Tamil Nadu, in which the majority of the respondents are female (74%). The majority of respondents are young, with 37% between 21 and 30 years old. The majority of undergraduates are found at the largest end of the educational spectrum (30%), while the majority of employees have 2-5 years of work experience (33%). The majority of them are earning Rs. Their income falls in the lower middle range of \$5,000 to \$10,000 per month, highlighting the vital role of competitive pay in retention.

Mean Score Analysis

To assess the average level of employee responses on three areas – Key retention strategies, Employee satisfaction, and Employee satisfaction – Key retention strategies, mean score analysis was used. Responses were measured on a five-point Likert scale, with the following interpretation: 4.50–5.00 (Excellent), 3.50–4.49 (Good), 2.50–3.49 (Average), 1.50–2.49 (Poor).

Table 2 Mean Score Analysis — Key Retention Strategies

Statement	Mean	Level
The company provides a fair salary for my work.	3.87	Good
I receive incentives/bonuses regularly.	3.64	Good
The company provides job security.	3.90	Good
There are good welfare facilities (canteen, rest room etc.).	3.73	Good
The company provides safe working conditions.	4.08	Good
Training is given to improve my skills.	3.70	Good
Supervisors treat employees respectfully.	3.96	Good
The company ensures proper leave benefits.	3.76	Good
There are opportunities for promotion/growth.	3.52	Good
The company takes steps to retain experienced workers.	3.80	Good
Overall Mean	3.80	Good

Source: Primary Data

100 % of the ten scale scores were rated in the ‘Good’ band (3.52 to 4.08). The company’s work safety was rated as the highest (4.08), which was due to the company’s strong commitment to safety at work. Respect for supervisor (3.96) also did well, as did job security (3.90). Promotion/growth opportunities received the lowest score (3.52), which shows that there was not much growth or promotion as this is an area that needs to be managed.

The retention strategy result is in line with the overall mean of 3.80 which indicates that there is no significant difference between the two.

Table 3 Mean Score Analysis — Employee Satisfaction

Statement	Mean	Level
Satisfied with salary & benefits	3.78	Good
Comfortable with work environment	3.92	Good
Shift timings meet expectations	3.65	Good
Satisfied with supervisor support	3.83	Good
Feel comfortable working here	3.95	Good
Safety measures meet expectations	4.03	Good
Value training & development	3.67	Good
Confident about job security	3.83	Good
Career growth opportunities	3.54	Good
Overall working here meets expectations	3.95	Good
Overall Mean	3.82	Good

Source: Primary Data

The range of all satisfaction statements is in the ‘Good’ band (3.54–4.03). Employees reported high satisfaction with their work environment with the highest scores being for safety measures (4.03) and overall comfort (3.95). However, lowest were scores for career growth (3.54), which is similar to the results of the retention strategies analysis. The overall mean of 3.82 means that overall employees are fairly satisfied with the present retention practices.

Pearson Correlation Analysis

Table 6 Correlation Analysis Results

Variables	Mean	Std. Dev	Pearson r	p-value	Result
Retention Strategies vs Employee Satisfaction	3.80 / 3.87	0.42 / 0.38	0.566	< 0.001	Significant — H ₀ Rejected
Employee Satisfaction vs Retention practices	3.82 / 3.87	0.40 / 0.38	0.690	< 0.001	Significant — H ₀ Rejected

Source: Primary Data

There is a moderate positive correlation between the retention strategies and the employee Satisfaction $r = 0.566$. The correlation between employee satisfaction and Retention practices is $r = 0.690$ which shows a strong positive correlation. The results are statistically significant in both cases ($p < 0.001$), reinforcing the fact that retaining employees and increasing employee satisfaction are effective predictors of better employee performance.

Findings

- The labour force is mostly female (74%) which is typical of handmade manufacturing industries in Tamil Nadu.
- The majority of employees are in the 21-30 age range (37%) which suggests that there is a large pool of young and energetic employees that may be at risk of early turnover.

- Most staff have undergraduate level qualifications (30%) so career development and growth is a key priority.
- 17% of employees have over 10 years of experience and there is still work to be done with regards to employee retention.
- Safe working conditions were the most highly rated mean score (4.08) with regard to retention strategies, highlighting employee valued workplace safety.
- Dissatisfaction with career advancement was reflected in the lowest mean score (3.52) for promotion and growth opportunities.
- The least satisfied score was related to opportunities for career advancement (3.54), indicating that there is room for improvement in policies for career advancement.
- The best factor that influenced employee performance was feeling valued by the company with a mean score of 4.03.

Suggestions

- The company should have clearly communicated promotion policies and improve employee confidence through the promotion opportunities.
- Awards, bonuses, ceremonies of recognition and extra leave benefits should be provided for long-service employees to reinforce long-term commitment.
- A separate welfare committee for women employees should be established to discuss the issues of safety at the workplace, timing of work shifts, and issues related to work-life balance.
- Establishing mentorship relationships between experienced and new employees to enhance mentoring and adapting to the workplace.
- The company should make efforts to improve canteen and rest room facilities to make the employees comfortable and make them happier in the workplace.

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