Employee turnover rates are higher in the retail grocery industry in comparison to other industries. This level of turnover produces demoralizing effects on the grocery industry’s profitability. The lack of evidence-based information regarding causes of employee turnover may result in senior-level leadership formulating retention strategies based on misconception. Misconceptions may be costly and actually fail to reduce turnover. For these reasons, this study sought to fill the knowledge gap by providing the grocery industry with evidence-based information on the topic of employee turnover. In an effort to provide a better understanding of the factors that support an engaged workforce, data from 151 front-line retail grocery employees’ gathered perceptions of their work environment, burnout, and turnover intentions. The participating employees represented one grocery chain in Western New York. The key finding was that value conflicts have a strong, statistically significant relationship with burnout and turnover intentions. The insights in this study may provide senior leadership with areas to target for early intervention strategies to build a more engaging workforce and prevent an early exit from the grocery industry. For a retail chain, creating retention strategies that focus on these aspects of the work environment may curtail cynicism, which in turn should lead to the most valuable employees while providing the company with a competitive advantage.

ABSTRACT

This study made use of structural equation modeling (SEM) to determine if burnout plays a mediating role in front-line retail employees’ intention to quit. One of the advantages of SEM is that this tool is effective against multicollinearity. Multicollinearity occurs when variables are highly correlated. Highly correlated variables add little value to the statistical model (Polit, 2010).

METHOD

The AWS measures the employees’ work environment and perception of burnout related to their turnover intentions. The participating employees represented one grocery chain in Western New York. The key finding was that value conflicts have a strong, statistically significant relationship with burnout and turnover intentions.

INSTRUMENTATION

Maslach Burnout Inventory—General Survey

The MBI-GS, measures the dimensions of burnout (i.e., emotional exhaustion, cynicism, and inefficacy). Areas of Worklife Survey 5th edition

The AWS measures the employees’ perceptions of their work environment.

Turnover is relatively high in the retail grocery industry. The Bureau of Labor Statistics (2013) reported that the annual turnover rate in this industry was 26.8% compared to the national average at 18.8%. While turnover is endemic in this industry, few researchers have explored the early warning signs of turnover in retail sales. The scarcity of evidence-based information may influence senior leadership to base their retention strategies on misconceptions. Senior leaders should avoid formulating retention strategies on assumptions; therefore, leadership should formulate strategies based on the best scientific information available. The authors provided evidence-based information by showing how the employees’ work environment and perception of burnout relates to their turnover intentions. The authors also recommend servant leadership as a suitable style to reduce burnout and increase employee retention.

THE PROBLEM (TURNOVER IS COSTLY)

Turnover costs organizations time, money, and production and have direct and indirect effects on an organization’s bottom line. The direct costs of turnover are payment of accrued vacation time to the departed employee and replacement costs (e.g., employee agency fees, advertising, training, relocating distant employees, and orientation time). The indirect costs of turnover are low morale, lost skill sets, disgruntled customers, and lost networks. The average turnover cost for a retail grocery store each year is $190,000. While turnover is endemic in this industry, few researchers have explored the early warning signs of turnover in retail sales. The scarcity of evidence-based information may influence senior leadership to base their retention strategies on misconceptions. Senior leaders should avoid formulating retention strategies on assumptions; therefore, leadership should formulate strategies based on the best scientific information available. The authors provided evidence-based information by showing how the employees’ work environment and perception of burnout relates to their turnover intentions. The authors also recommend servant leadership as a suitable style to reduce burnout and increase employee retention.

THEORETICAL FRAMEWORK (BURNOUT)

Researchers linked burnout to work-related outcomes such as job turnover. Burnout is described as emotional exhaustion, cynicism, and inefficacy. Emotional exhaustion is a feeling of mental fatigue. Employees experience cynicism when they distrust the company and fellow workers and show anger and resentment against the organization. Inefficacy is the employees’ personal belief that they are not able to make any meaningful contributions to their job.

REFERENCES


