TESCO STORES (M) SDN. BHD.:

EMPLOYEE RETENTION STRATEGY

TO REDUCE CASHIER TURNOVER RATE

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HR Manager   Human Resource Manager

SGM   Store General Manager

TM   Trading Manager

SM   Section Manager

CEO   Chief Executive Officer

HR department   Human Resource Department

ABSTRAK

Kajian kes (*case study*) ini disediakan berdasarkan kadar berhenti kerja (*turnover rate*) di kalangan juruwang di Tesco peruncitan Bukit Mertajam, Malaysia. Objektif kajian ini adalah untuk mengenal pasti isu dan mengkaji permasalahan akar umbi kadar berhenti kerja yang tinggi. Beberapa pemberi maklumat telah ditemuramah seperti pengurus sumber manusia *(HR manager)* dan pengurus perdagangan *(front-end manager)* bagi mendapatkan gambaran isu dan maklumat laporan didalam syarikat. Semua temuramah telah dilakukan di Tesco Bukit Mertajam pada sekitar waktu bekerja. Kes ini telah menggunakan lima (5) pengukur analisis seperti analisis Sebab-Akibat (*Cause-and Effect analysis*), kaedah Pemerhatian dan Kesan (*Observation and Effect analysis*), analisis SWOT (*SWOT analysis*), analisis Perbandingan (*Benchmarking analysis*) dan kepuasan bekerja juruwang melalui kaedah kaji selidik (*cashier's satisfaction survey*). Berdasarkan analisis, kajian mendapati tiga (3) sebab utama pekerja berhenti kerja adalah kerana penghargaan oleh syarikat, cuti tahunan yang diperuntukkan oleh syarikat dan peluang pekerjaan yang lebih baik. Sepuluh (10) cadangan penambahbaikkan telah dibincangkan. Bagi jangka masa pendek, solusi termasuk mengambil pekerja yang berkualiti, menyediakan tanggungjawab pekerja yang terperinci, menambahbaik latihan bagi pekerja, menyediakan latihan pengulangan dan kursus kilat (*refresher training*), menyediakan insentif menarik, elaun dan layanan istimewa dan meningkatkan kemudahan cuti tahunan. Bagi pelan jangka masa panjang pula, syarikat perlu fokus kepada program latihan yang khusus dan peluang kerjaya bagi pekerja, mengamalkan polisi terbuka (*open-door policy*), menambah kekerapan pemantauan pekerja dan melaksanakan kaji selidik bagi kadar upah juruwang di pasaran.

ABSTRACT

This case study examined the high turnover rate among cashiers at Tesco grocery stores in Bukit Mertajam, Malaysia. The main objective of the study was to identify the issues and the root causes of high employee turnover. This study interviewed key informants such as the HR manager and the trading manager in the Front-end department and reviewed company reports to get some ideas about the current situation. All interviews were conducted in Tesco stores located in Bukit Mertajam during office working hours. The case using five analytical tools including Cause-and-Effect Analysis (Fishbone Diagram); Observation and Effect Analysis; SWOT analysis, Benchmarking Analysis, and a cashier's satisfaction survey. Based on the analysis, the study found that among the top three reasons employees were most likely to leave the company were the value award program, annual leave and better career opportunities. Ten suggestions to resolve the turnover program can be divided into short-term and long-term plans were made. Short term solutions included: recruitment criteria to improve the quality of hire; developing better job functions; improving the existing training program, creating refresher training courses, continuous monitoring and evaluation of training; providing better rewards, allowances and special treatment; and increasing the flexibility of the annual leave. Long-term plans should establish specific training programs and developing career growth development plans; establishing an open-door policy for employees to consult with their managers; frequent monitoring; and conducting an annual market survey to measures cashier's opinions about basic pay and allowances, among other issues.

EXECUTIVE SUMMARY

Employee turnover levels in the retail industry are quietly rising and have become a big issue among retail companies. Such turnover has become a significant challenge for retailers who will need to spend more time and resources to retain and recruit their employee. Tesco stores in Bukit Mertajam, Malaysia are faced with problems, including a high turnover rate and more on retention strategies on their employees and are focusing their attention on creating a strategy to reduce the problem.

Thus, this current case is focused on the issue of high number of employee turnover rate among cashiers in the Tesco Bukit Mertajam store. In determining the causes of the high turnover rate, the Tesco store analyzed secondary data such as employee service period, employee age and employee marital status. They found that the highest turnover rate was from among the group of cashiers with a service period of from three months or less. By age group, employees aged between 18 to 21 years old were the most likely to leave the company. By marital status, single employees were more likely to leave the company than married ones.

The high turnover rate among cashers cashiering is impacting the company's internal operations. One impact of the high employee turnover rate is increased HR department costs. The HR department must spend more resources on advertising for cashiers, interviewing candidates, and hiring new employees. After hiring, the company must also spend on additional employee training. The high turnover rate also impacts the work schedule of the cashiers, whereby the store is faced with the problem of constantly juggling staff schedules. Another problem is a lack of cashiers

at their counters, causing long queues, increased customer complaints and increasing errors. The high turnover also makes managers lose their focus from their main role as managers because they must step-in at the cashier's counter instead of managing the store.

Case analysis was employed to identify the real issues creating obstacles for the company. In this case study, five analytical tools were used. Cause-and-Effect Analysis, better known as the Fishbone Diagram, identified and highlighted all possible root-causes linked to the issue. This fishbone diagram was used to prioritize the different causes that may explain the reasons for high turnover rate among cashiers in the store. Observation and Effect Analysis was applied to evaluate the effectiveness of the cashier training system. The SWOT analysis covered the strengths, weaknesses, opportunities and threats, which helped identify the root of the issues that surfaced in the store. Besides identify the issues, A SWOT can also serve as a guide to pick out the positives and negatives traits within the store as well as characteristics of the external environment. This process will help the store become fully aware of the entire situation and prepare proper strategic planning such as developing an effective retention strategy to reduce high cashier turnover.

Additionally, Benchmarking Analysis compared Tesco with best practices in the industry and also provided an objective evaluation of a company's business processes against similar processes in other company. Lastly, the cashier's satisfaction survey identified cashiers' attitudes, interests, and options about problems and ways to improve work satisfaction.

Subsequently, recommendations and potential solutions were suggested to address the problems highlighted in the findings. Several recommendations were proposed to address the turnover issue. Among them were the following. First, recruitment criteria should be used to identify high quality hires. The company should employ better-suited employees and review the company's recruitment strategies to select better work candidates as cashers. Second, employee turnover among cashiers could be reduced if the company developed proper job functions for cashiers including specific descriptions of a cashier's role and responsibilities in the workplace. The company should improve existing training; provide refresher training, and conduct monitoring and evaluation of that training. The company may establish specific training programs and develop career path growth and development for cashiers. The company may consider providing better rewards and allowances as incentives for cashiers. Such monetary and non-monetary rewards and allowance are key elements in motivating and recognizing employees and also a vital element in employee retention. Another recommendation is to provide special treatment to motivate cashers and develop a coaching workshop. Additionally, an open-door policy between supervisors and cashers should be developed to build and maintain good communications and better trust level in the working environment. The company should consider increasing the flexibility of granting annual leave for their cashiering to avoid the negative impact of the current restrictive policy on the company. Lastly, the company should conduct frequent market surveys among cashier to examine information about basic pay and allowances needed to stay atop the highly competitive market surrounding the Bukit Mertajam business areas.

1.0   INTRODUCTION

Encik Noorsafwan Bin Ensah is the Human Resource (HR) Manager at Tesco at the Bukit Mertajam Store. He was sitting in his office, looking out the window to get a view from the hypermarket. He was thinking of the future of the Tesco store that he needs to lead and guide. He had begun feeling pressure to find the best solutions to overcome the high employee turnover rate in the company. Based on data his subordinates prepared, Encik Noorsafwan had become increasingly concerned about the high employee turnover rate in his store.

He understood that the employee turnover rate was assessed based on the number of years cashiers stayed with the company. He also understood that he needed to consider the frequency of replacement and the percentage of employees leaving the company. These typical factors serve a yardstick used for measuring employee turnover. He knew that the cost of turnover added burden to the company in terms of additional expenses and also had a negative effect on overall employee morale. He has stopped for a moment to drink a cup of black coffee that had started to cool. Sipping the coffee, he began to study the secondary data prepared by his staff. He noted that when an employee leaves, he or she takes along invaluable knowledge and experience about the company, customers, current projects and history. Thus, retaining positive and motivated employees was critical to his company's success.

In September 2014, Encik Noorsafwan reviewed the employee turnover rate. From the employee turnover percentage data provided for each department from 2012 until August 2014, he noticed that the highest percentage turnover rate was

among cashiers in the front-end department. Cashiering had a 44% turnover rate in 2012, 34% in 2013 and 36% in 2014 during the period from January till August in 2014. See Figures 1, 2 and 3 below.
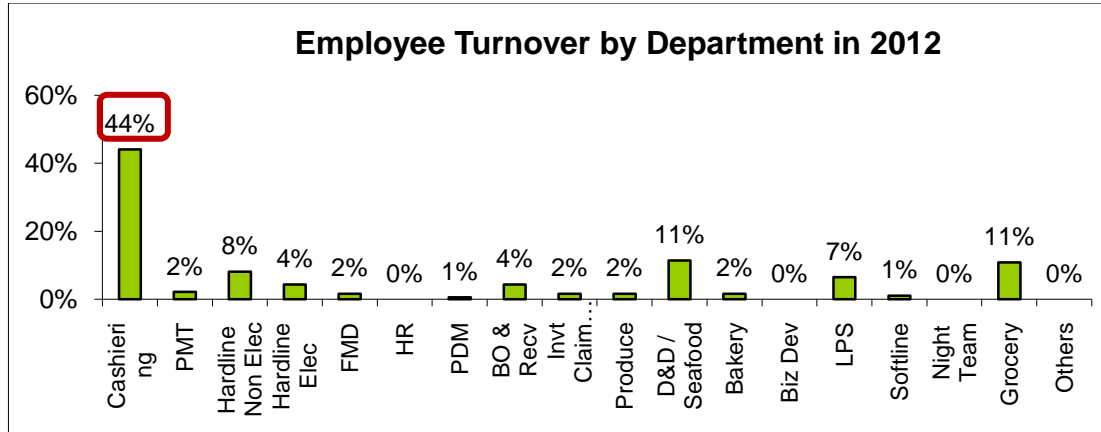
Figure 1: Employee Turnover Rate in Year 2012
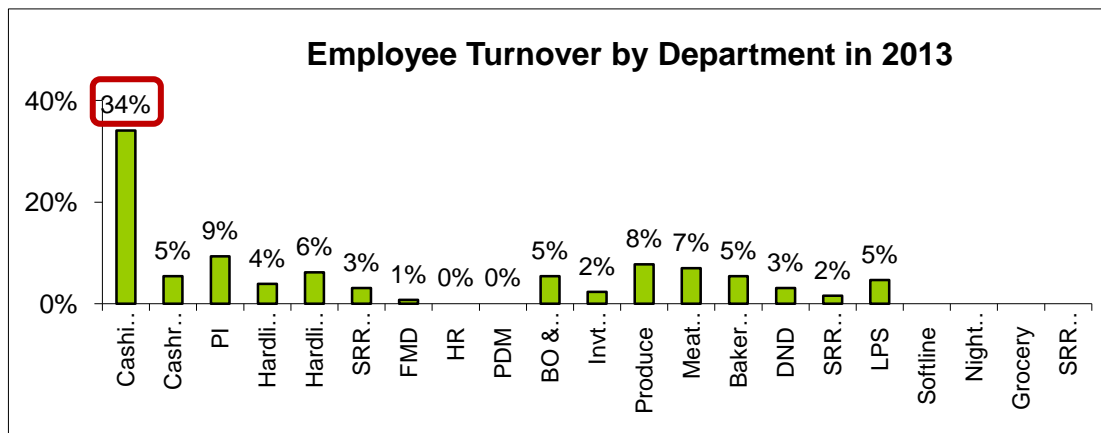
Figure 2: Employee Turnover Rate in Year 2013
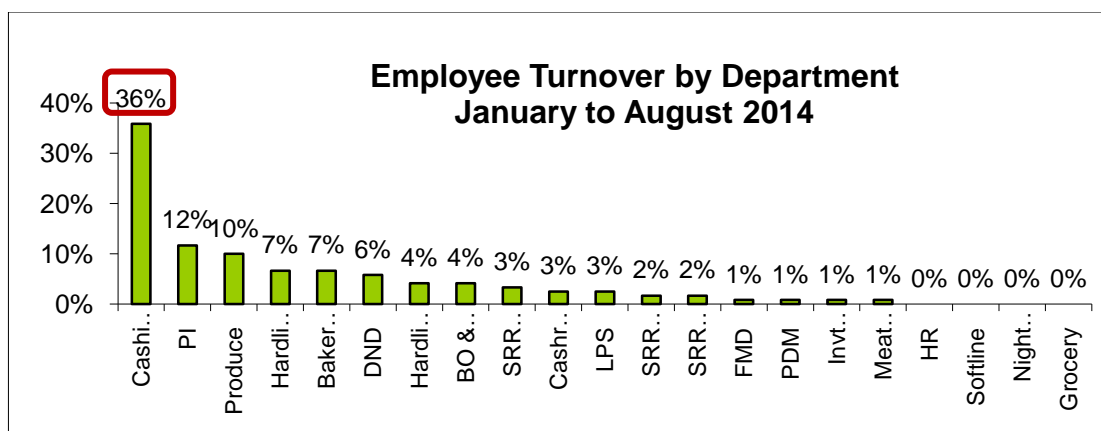
Figure 3: Employee Turnover Rate in Year 2014

As shown in Figure 3 above, cashiering has a 36% turnover rate in only eight months of 2014. If the data from 2014 were normed as ratios, this year had the highest turnover rate of the three years studied. The distribution is shown as below:

In 2014 the monthly turnover rate was (36% / 8 months) = 4.5% monthly
In 2013 the monthly turnover rate was (34% / 12 months) = 2.8% monthly
In 2012 the monthly turnover rate was (44% / 12 months) = 3.6% monthly

The highest turnover rate for the cashiering department on monthly average was for 2014. The monthly turnover rate for 2014 was 4.5% of turnover, for 2013 it was 2.8% and for 2012 it was 3.6%. Increasingly, high employee turnover rate has become a problem not just in developing countries but also in developed countries. For example, in the United States, employee turnover has been seen as a national workplace crisis. In which the overall turnover was 2.1 million in April 2012 (Salleh, R., Nair, M.S., & Harun, H, 2012). In Malaysia, the average yearly turnover rate of retail employees was 18% from July 2010 to June 2011 (Salleh, R., Nair, M.S., & Harun, H, 2012).

Noorsafwan examined critical factors causing high turnover rate among cashiers. He analyzed employee turnover rate from the secondary data including employee service period, employee age and employee marital status. He found that the highest turnover rate was from the group of cashiers with a service period of three months or less. This group contributed to about 80% of the overall turnover. By age group, employees aged between eighteen to twenty-one years old were the most likely to leave the company, contributing to 71% of the turnover. By marital status, single employees tended to leave the company more often than married employees, contributing to 95% of turnover rate in this category.

As Noorsafwan sat in his office, he read the reports lying on his desk that needed his immediate attention. He has to report the overall employee turnover rate on a quarterly basis to his Store General Manager (SGM), Madam Chua. The next report was due in two weeks. In September 2014, he had to report and provides potential solutions for the issue of the high turnover rate to his SGM. He has been assigned to recommend ways to reduce the employee turnover rate. Thus, he had started to think about finding measures to achieve that objective.

Noorsafwan already had made informal observations of the front-end operations. He observed that with high the turnover among cashiers had caused long queues, increased customer complaints and increased cashiering errors due to the tense work environments. Madam Chua had told him that the ideal number of cashiers was at least 23 full-time cashers and 5 part-time cashers to run the business. The CEO and top management had determined the ideal number of cashiers for the Bukit Mertajam store. However, currently the store only had 10 full-time cashiers for full time and part time 9 cashiers. Clearly, this situation was a big challenge for him particularly with respect to arranging the daily staffing schedule. Thus, Noorsafwan needed to think about solutions to present in his report to Madam Chua.

As Noorsafwan was reading the employee turnover reports, he foresaw that much had to be accomplished in the coming days to achieve a lower employee turnover. Moreover, he believed that the high turnover rate among cashiers was impacting the company's internal operations. One impact of high employee turnover rate was increasing the store's HR department costs. The HR department needed to spend more resources on advertising for cashier opportunities,

interviewing, and hiring new employees. After hiring, company needed to spend on employee training for new hires and to find out the reasons employees leave. He noticed that second impact of a high turnover rate was related to scheduling plan for cashiers in the Bukit Mertajam store. The store continually faced a problem in fixing the staffing schedule determined by CEO and top management. Noorsafwan realized that another impact from the high turnover was the loss of management focus on their main role. Front-end operation manager and HR manager had to step-in at the cashiering counter instead of managing the store.

Noorsafwan felt that he needed to further dwell upon the reasons why employees left the cashier's job. He also needed to look into improving employee retention and improve employee engagement in the workplace. After having read all the reports, he sighed. With all the challenges in the retailing industry, how would his Tesco store overcome this situation? What were the best strategies that the Tesco store could to adopt to reduce cashier turnover rate?

1.1   RESEARCH QUESTIONS

The research questions that need to be addressed are as follows:

Q1.   What are the possible root-causes that affect the high turnover rate among cashers in the hypermarket?

Q2.   How could employee retention be improved to reduce high cashier turnover?

Q3.   How could employee engagement be improved among the cashiers?

Q4.   What would the appropriate retention strategy be to overcome high cashier turnover?

2.0 INDUSTRY BACKGROUND / ANALYSIS

2.1 Retail Industry in Malaysia

The retailing industry in Malaysia is very competitive. Retailers in retail chain stores such as Carrefour, AEON Mall Hypermarket, Giant Hypermarket, and Mydin Wholesale Hypermarket compete among themselves for a share of the domestic market. Since the beginning of the Asian financial and economic crisis in July 1997, reduced consumer expenditures and higher cost of imports have affected the performance of the retail industry.

In the Malaysian economy, the retailing industry is a major contributor to the Gross Domestic Product (GDP). The majority of Malaysian consumers enjoy shopping. They are also more likely to physically experience the products before they make a purchase. Consumer demand in Malaysia has been a prime mover in the country's economic growth, contributing 47% to GDP in 1997. The Asian financial and economic crisis that started in 1997 damaged the retail industry structure. In 2002, retail industry grew moderately at 3.0%. Furthermore, according to the Retail Group Malaysia, Malaysia's retail industry grew at only a 3.1% annualized rate in the third quarter of 2013 (The Star Online, January 2014).

However, a more positive performance is expected for retailing in Malaysia in the future whereby Malaysia's economic conditions are expected to improve, which will boost consumer demand (Retailing in Malaysia, April 2014). The increase in disposable incomes for consumers should also increase their willingness to spend and their purchasing power to improve their lifestyle quality. With this, more international brands are likely to enter into Malaysia and the Malaysian government

will also continue to launch various campaigns to attract tourists, which will further benefit retailing. Thus, new rapid developments are creating employment opportunities in Malaysia.

2.2   Challenges in Retail Industry

The lack of financial resources and inability to continue within because of marketplace pressures in the market will cause the local retail industries to consider whether to downsize, to merge or to exit the industry. The Severe Acute Respiratory Syndrome (SARS) has also affected retail sales and the growth of retail industry (Retail industry in Malaysia, August 2007). This problem has affected consumer confidence, and they fear that the disease will spread in shopping complexes, and this fear ultimately has caused retailers to suffer declining sales to a large degree.

Currently, the retail industry employs approximately 700,000 workers in Malaysia. This is close to 7% of the total work force in Malaysia. However, the most common problems that employees face are the long working hours and the perceived low salary especially for the associate level. Thus, HR departments often face high turnover rates among associate levels such as cashiering. A retailer, whether local or foreign, needs to plan various strategies to increase sales for a year including bringing in new tenants, upgrading facilities at the shopping malls and organizing events and activities that enable shoppers to participate in the activities while shopping at their outlets. Besides, Malaysian consumers are expected to face challenges such as the rising cost of living and reduced purchasing power, which is due to the increase the price of goods and services in the market.

2.3   The Effect on Retail Industry with Introduction GST

Officially, the GST is a consumption tax imposed on goods and services at every stage of the supply chain, which typically begins at the manufacturing stage and ends at the retail stage. (DAP, October 2013). The goods and services tax (GST) is expected to have some short to medium-term impact on retailers in Malaysia when it is introduced in April 2015. The introduction of goods and services tax (GST) will affect consumer-spending patterns in a way that is currently unknown. The purchasing power for the middle to lower-income group will be affected and definitely retail sales as well (The star online, June, 2014).

3.0 COMPANY BACKGROUND

3.1 Tesco Stores (M) Sdn. Bhd.

Tesco Stores (Malaysia) Sdn. Bhd. was established on 29 November 2001, partnering with Sime Darby Berhad. In February 2002, Tesco Malaysia officially started operations with the opening of its maiden hypermarket in Puchong, Selangor. Currently, Tesco Malaysia has approximately 15,000 employees and operates 46 Malaysian outlets.

3.1.1 Tesco in Worldwide Country

Table 1 below shows Tesco's number of stores worldwide by country.

Table 1: Number of Stores in Operation Worldwide

Country	Number of Store Operation In Country
United Kingdom	The number one retailer with 2,715 Stores all over the United Kingdom.
Asia	The company has 1,425 stores across China (105 Stores), South Korea (354 Stores), Thailand (782 Stores), Malaysia (46 Stores) and India (exclusive franchise with Trent).
Europe	The company has 1,082 Stores across Czech Republic, Hungary, Poland, Slovakia, Turkey and Ireland.
USA	The company has 164 Stores known as Fresh and Easy Neighborhood stores across Arizona, California and Nevada.

Note: Secondary data from Tesco 2014

3.1.2 Milestone of Tesco Malaysia

Tesco Malaysia was established on 29 November 2001, partnering with Sime Darby Berhad. Tesco Malaysia's opened its first store hypermarket in Malaysia in May 2002 with the opening its first hypermarket in Puchong, followed by stores in Malacca and Klang. In 2003, Tesco opened the Mutiara Damansara and Sungai Petani stores. Simultaneously, Tesco also launched the Tesco value brand. One year later, Tesco opened the first Tesco outlet in Penang state and announced the launched of Tesco Choice in 2004.

In 2005, Tesco continued opening stores in Malaysia, opening another four more stores in Ipoh, Shah Alam, Kajang and Banting. The Ampang and Seri Alam stores followed these in 2006, and, in the same year, the company acquired Makro Cash and Carry. In year 2007, they launched the Tesco Clubcard and Tesco Extra. Furthermore, the Tesco Bukit Mertajam store was officially opened in 2007 by the Chief Minister of Penang, YB Lim Guan Eng together with state executive EXCO Datuk Abdul Malik Bin Kassim and also the Chief Operating Officer of Tesco Malaysia. In his speech during the opening, the COO mentioned that with this newly open store had created 300 new working opportunities for the local people. This new branch, which cost RM20 million to build, was the third branch in the state of Penang.

Tesco has announced that launched the Green Clubcard and Green Bags in 2008, and the Clubcard loyalty program is actually a way to reward and thank customers for their continued support of Tesco. In 2009, Tesco stores were recognized as the number 1 Hypermarket in all of Malaysia. At the same year, Tesco

has announced they were going to launch the Tesco Light Choices and also RHB Credit or Debit Cards. In 2010, another outlet was opened in Kepong Village Mall. Moreover, new Electrical and Seafood departments were opened that year. On top of that, Tesco has launched the new Extra Format with Extra Service, Extra Range and Extra Facility at Mutiara Damansara in 2012. Moreover, as part of its Corporate Responsibility Program, the company helped raise RM350, 000 for charity partnering with UMMC to help underprivileged children with leukemia (Tesco PLC, 2014).

3.1.3   Core Purpose and Values

Tesco have a clear and simple statement of core purpose, which is "We Make What Matters Better, Together". The core purpose means listening to customers, understanding what people what want and delivering it. Tesco values help the employees understand how to put this into practice. Listed below are Tesco values:

1. No one tries harder for customers

    Employees of Tesco need to understand and listen to customers, colleagues, and communities and then try to meet their needs.

2. Employees should treat people how those employees want to be treated

    Employees need to build trust and respect among each other; support and show gratitude; and share knowledge and experience. Thus, colleagues who feel recognized, rewarded, and respected for their work as a team will, in turn try their hardest for customers.

3. They use their scale for good

    The scale means that Tesco can provide affordable and high-quality food to people around the world and at the same time create value for their customers.

Thus, Tesco uses this scale to create more value for society such as creating thousands of jobs or working with thousands of farmers to provide world-class products (Tesco PLC, 2014).

3.1.4 Tesco Business at the Bukit Mertajam Store

Figure 4: Tesco at Bukit Mertajam Store

1. Tesco Hypermarkets offers customers a better shopping experience under one roof such as from fresh produce to groceries; from household items to apparel and thus shoppers can find everything they need at the Tesco Bukit Mertajam store. Moreover, the store has carries over 60,000 lines of products including nearly 3,000 of Tesco brands food and non-food products.

2. Tesco Clubcard and Biz Clubcard were introduced to reward customers for their continuing support by returning money to them.

3.1.5 Small Business Opportunity Strategy

Tesco provides a comprehensive range of products and services focused for small businesses including offers bigger pack sizes, bulk-buying, special trolleys, and special checkouts. Besides, this small business opportunity also offers their services and the wide range of food and non-food products to individual customers and families at low prices. Furthermore, the store also features enhanced facilities such as parking bays and toilets for the disabled; facilities for parents and babies; and acceptance of a wide range of credit cards.

3.1.6 Corporate Social Responsibilities

As a responsible corporate citizen, Tesco Malaysia has worked with communities in order to contribute back to the society. They worked with the National Cancer Council (MAKNA) to raise more than RM 500,000 for the Tesco-MAKNA Cancer Research Fund for Life. Moreover, Tesco Malaysia also continuously tackles the issue of global warming through various efforts such as energy saving, implementing Green Clubcard Points to encourage shoppers to use their own bags, and promoting positive behaviour among their employees through the intra-store competitions (Tesco PLC, 2014).

3.2   Organizational Structures and Vision

3.2.1   Tesco Vision

Tesco company vision has set out what they want to be which included being: (Tesco

PLC, 2014):

1. Wanted and needed around the world;
2. A growing business, full of opportunities;
3. Modern, innovative and full of ideas;
4. Winners locally whilst applying the skills globally; and
5. Inspiring, earning trust and loyalty from customers, colleagues and communities

The Tesco company vision has set out guidelines to help them in what they want to become, including what is wanted and needed around the world. Tesco stores want to become a growing business full of opportunities; being modern and innovative and full of ideas. Furthermore, Tesco believes that winners locally basically have the ability to apply skills globally, be inspiring, and earn trust and loyalty from their customers, colleagues and the communities in which they work.

3.2.2   Organizational Chart - Management Structure

The Tesco management structure of the Bukit Mertajam store has nine departments headed by the Store General Manager (SGM). The nine main departments include the Front-End department, Non-Food department, Soft-line department, Human Resource (HR) department, Fresh department, Grocery department, Night Team department, Mall department and Loss Prevention department. Each department comprises a department Trading Manager who reports to the SGM, who is in charge of overall operations and improving store operations. Ultimately, the SGM reports directly to the Area Director in the Northern Region.
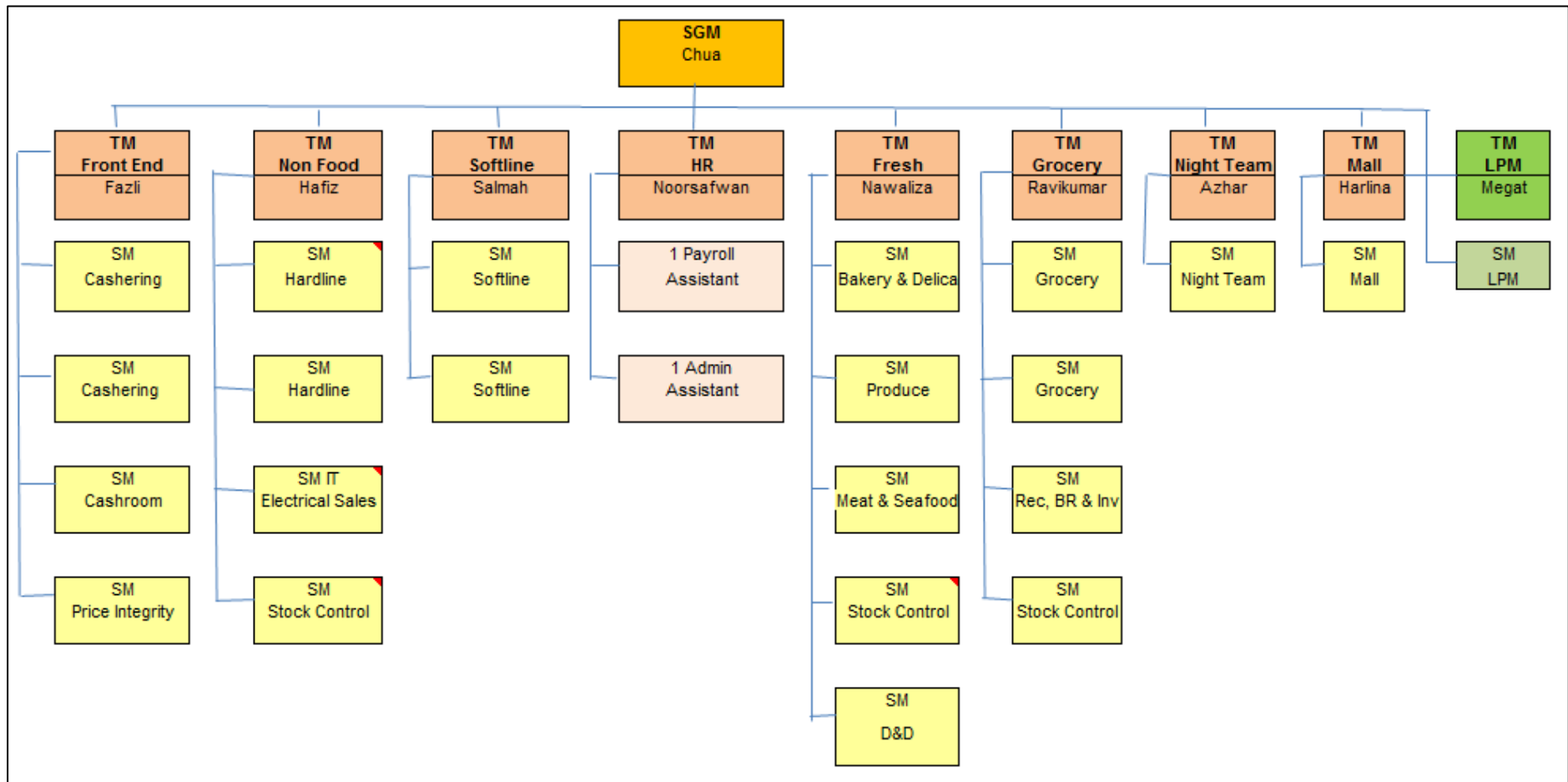
Figure 5: TESCO STORES Organizational Chart - Management Structure
Note: SGM – Store General Manager; TM – Trading Manager; and SM – Section Manager.
Source: Secondary data from Tesco 2014.

Figure 5 above shows the organizational chart of Tesco for the Bukit Mertajam store. Noorsafwan, trading manager of HR department, explained that day-to-day operations require great interaction and effective communication internally, especially in the front-end department. Thus, it is play an important role to ensure the operation runs smoothly in the store. The main functions of each department are listed as follows:

1. **Front End Department**

   This department includes the customer service department. Encik Mohd Fazli, as a Trading manager in Bukit Mertajam store, heads the front-end department. The department is responsible for:

   A. Managing checkouts and the support team to deliver the every little bit helps promises of "I don't queue" and "the staff are great" programs;

   B. Achieving all key performance indicators in front-end department;

   C. Managing and resolving all customer complaints satisfactorily;

   D. Achieving payroll, productivity and controllable expense targets consistently

   E. Providing the team with the relevant coaching and training they need to perform their jobs;

   F. Regularly reviewing checkout staffing targets, so that maximum productivity is achieved

2. **Food Department**

   The department is responsible for:

   A. Managing the non-food team to replenish stock and sustain great store standards to deliver the every little but helps promise for customers "I can get what I want";

B. Achieving all key performance indicators in the non-food department;

C. Maintaining the replenishment process throughout the day

D. Championing great standards on the shop floor; and

E. Ensuring the team has the relevant coaching and training they need to perform their jobs.

3. **Soft-line Department**

The department is responsible for:

A. Managing the soft-line team to replenish stock and sustain great store standards to deliver the every little bit helps promise for customers "I can get what I want";

B. Achieving all key performance indicators in the soft-line department;

C. Maintaining the replenishment process throughout the day;

D. Championing great standards on the shop floor; and

E. Ensuring that the team has the relevant coaching and training they need to perform their jobs.

4. **Human Resource Department**

Encik Noorsafwan, the HR Manager with at least 6 years of experience as a HR manager, headed the HR department. The HR department is responsible for:

A. Supporting the store people plan creating a great place to work which improves people's loyalty to company business;

B. Coaching managers to improve their capabilities to deliver every little bit helps for customers, staff and operations;

C. Keeping talent planning alive in the store;

D. Improving the capabilities of the management team as a result of the coaching;

E. Using feedback from exit interviews to address issues and reduce staff turnover;

F. Understanding the labour turnover issues for the store and manage the resourcing plan according to store needs

G. Helping the store meets its targets for key performance indicators; and

H. Supporting staff to attend work and recognizing full attendance.

5. **Fresh Department**

The department is responsible for:

A. Managing the fresh food team to replenish stock and sustain great store standards to deliver the every little bit helps promise for customers 'I can get what I want';

B. Achieving all the key performance indicators in the fresh department;

C. Maintaining the replenishment process throughout the day;

D. Championing great standards on the shop floor; and

E. Ensuring that the teams have the relevant coaching and training they need to perform their jobs.

6. **Grocery Department**

The department is responsible for:

A. Managing the grocery team to replenish stock and sustain great store standards to deliver the every little bit helps promise for customers 'I can get what I want';

B. Achieving the key performance indicators in the grocery department;

C. Maintaining the replenishment process throughout the day;

D. Championing great standards on the shop floor;

E. Ensuring that the teams have the relevant coaching and training they need to perform their jobs.

7. **Night Team Department**

The department is responsible for:

A. Managing the night team to replenish stock and sustain great store standards to deliver the every little helps promise for customers 'I can get what I want';

B. Achieving the key performance indicators in the night team department;

C. Maintaining the replenishment process throughout the day;

D. Championing great standards on the shop floor; and

E. Ensuring the teams have the relevant coaching and training they need to perform their jobs.

8. **Mall Department**

The Mall is considered as part of the local community and the department is responsible for:

A. Leading and managing all aspects of the mall operations, so that Tesco standards are upheld and achieve the value of 'no one tries harder for customer';

B. Leasing short term and support leasing in negotiations on vacancies to achieve a maximum occupancy and profitability;

C. Managing promotional activities to deliver a "great shopping trip" for customers;

D. Successfully implementing all promotions through good planning and scheduling;

E. Maintaining mall standards of cleanliness, hygiene and staff appearance;

F. Delivering a great shopping trip for customers through an efficient operation;

G. Improving the capability of the team by coaching and training them to deliver the operating model; and

H. Building successful and sustainable relationships with the tenants.

9. Loss and Prevention Department

The department is responsible for:

A. Manage the security team to provide a first class and cost-efficient security service in store, which delivers a safe environment for both customers and staff and minimizes loss to the company;

B. Achieving all key performance indicators in the loss and prevention department;

C. Supporting each department above to achieve security performance measures;

D. Making staff feel safe at work;

E. Make a safe shopping trip for customers;

F. Supporting each department with a security sustainability plan;

G. Contributing to helping achieve the stock take and shrink targets;

H. Ensuring that the team have the relevant coaching and training they need to perform their jobs; and

I. Maintaining confidentiality in everything they do.

Store General Manager (SGM)

Overall business operation is overseen by the SGM, who is responsible for:

A. Leading and developing store operations to meet the Steering Wheel targets;

B. Continually improving store operations to deliver every little bit helps for customers; people and operations to achieve profitable growth;

C. Achieving all key performance indicators across the store;

D. Delivering continuous improvement that is measured across the Steering Wheel;

E. Consistently delivering excellent store standards;

F. Implementing the business plan activities via the change plan and sustaining activity as core activity work,

G. Improving the capability of team by coaching and training them to deliver routines; and

H. Improving the store's viewpoint results through leadership

Note: Source, Secondary data from Tesco 2014

**3.3	The People and the Department Involved in the Case Study**

**3.3.1	The People involved in the Tesco store Bukit Mertajam**

Table 2: The People involved in the Tesco store Bukit Mertajam

People involved	Department	Position	Justification
Madam Chua	All Departments	Store General Manager	To identify whether SGM Madam Chua had noticed the serious negative effect on business performance in store. To identify whether SGM Madam Chua had the intention to enhance their employee retention to reduce high turnover rate in her store.
Encik Noorsafwan Bin Ensah	HR Department	HR Trading Manager	To understand and address the employee turnover issues in the store.
Noor Faezah Bt Mohd Fadzil	HR Department	Payroll Clerk	To understand how high employee turnover rate impact HR department.
Encik Mohd Fazli	Front-End Department	Trading Manager	To analyze current practices on new and existing cashier training procedures and skills development program.
Full Time Cashiers I. Mohd Ammar II. Nazrin III. Selvi IV. Thuvendran V. Mohd Bahir Part Time Cashiers I. Anishah II. Noraini III. Zulita IV. Amalina V. Shanfah	Front-End Department	Cashier	The survey covered basic questions regarding the cashier's concerns in their daily tasks and the level of cashiers' satisfaction towards the task.

3.3.2 The People Involved in the Market Survey in Bukit Mertajam Business Area

Moreover, the following are the people involved in the market survey based on interviews. (See Table 3 below)

Table 3: People involved in the market survey

Retailing / Stores Company	People Involved
AEON Mall Bukit Mertajam	Six (6) Cashiers
Wonderful Supermarket	One (1) Supervisor
Fast Food Restaurant - KFC	One (1) the Assistance Manager
Convenience Store – 7-Eleven	Two (2) Cashiers

4.0 CASE ISSUES

4.1 Details of the Problem

In September 2014, Noorsafwan reviewed the employee turnover rate percentage analysis and noted that cashiering had shown the highest percentage turnover rate among all the departments in this store. Noorsafwan's administrative clerk had reported that the turnover rate in cashiering from January to August 2014 was 36% of total store employee turnover. Thus, the main issue of this case study was the high turnover rate in cashiering. Figure 6 below shows the employee turnover rate by department in his store from January to August 2014.
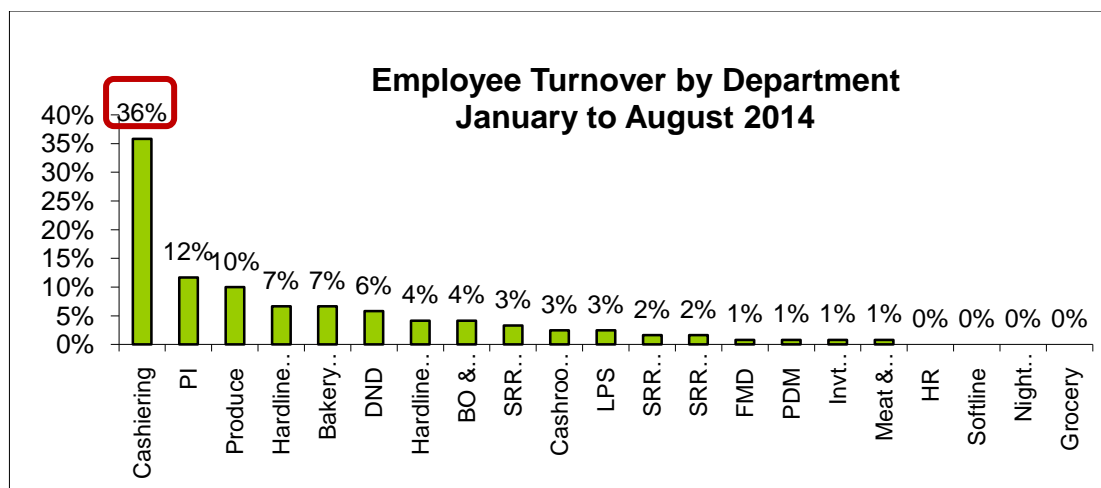

Figure 6: Employee Turnover Rate in 2014

This report showed that the employee turnover rate for cashiers was high. Noorsafwan highlighted the need to determine the factors contributing to high turnover rate among cashiers in his store. Based on the employee turnover rate analysis report, he found trends in employee service period, employee age and employee marital status. Figure 7 below shows the employee turnover rate percentage according to length of employee service period in 2014.

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