Research on Factors and Measurements of Employee Turnover in China's Garment Industry

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Abstract. In recent years, the turnover rate has become a big problem in China's garment industry. The turnover rate of the garment industry is generally high, and this problem is very common; even though the problem is very serious, it is still not paid attention to, and the turnover rate is still increasing year by year. This is very unfavorable to the prospect of the garment industry, so this paper studies this problem through the survey method. Consulted a large number of data and literature and summarized and classified it. These two aspects of the narrative are from the company's problems and the employee's own problems. The factors affecting the turnover rate are discussed. Finally, countermeasures and solutions are proposed for each problem. These decisions can effectively improve the turnover rate. If the company can implement each point, the turnover rate of the garment industry can be significantly improved in the next few years.

Keywords: Turnover Rate; Garment Industry; Resource Allocation; Human Resource Management.

1. Introduction

1.1. Research Background

Employee turnover has always been a big problem. Employee turnover plays an important role in the rational allocation of human resources, but the high employee turnover rate will affect the sustainable development of the enterprise. According to the survey, the turnover rate of employees in the garment industry is very high. The three industries with the highest turnover rate in 2013 were retail department stores (35.6 percent), logistics (30.2 percent), and machinery manufacturing (28.7 percent). The top three industries with a high growth rate were clothing and textile (13.5% in 2012 and 21.2% in 2013), machinery manufacturing (22.3% in 2012 and 28.7% in 2013), and fast-moving consumer goods (20.3% in 2012 and 26.5% in 2013). A high employee turnover rate means unstable employees. Therefore, a high employee turnover rate is very unfavorable to a company. This paper mainly studies the turnover rate of employees in China's garment industry. The high turnover rate is mainly due to the low barriers to entry. Employees don't need to be highly educated, and the entry requirements are low, so leaving is easier. Moreover, the salary is not high. The company has few benefits, and employees who are not satisfied will choose to quit. Taking Uniqlo as an example, it is found that the turnover rate of new employees entering Uniqlo in 2007 reached 37.9% within 3 years, followed by 46.3% in 2008, 53% in 2009, 47.4% in 2010, and 41.6% within 2 years after entering Uniqlo in 2011, which is a very high turnover rate. The turnover rate of normal enterprises should be controlled within 10%, but Uniqlo's turnover rate is as high as 40%. When the employee turnover rate is too high, it is a serious problem for an enterprise. The employee turnover rate is generally relatively high in the garment industry. This is very unfavorable to the industry. The high turnover rate of employees will affect the output efficiency of the company, the company's performance, and the employees' confidence, and a series of problems. More and more managers of clothing companies are paying attention to the number of turnovers, which has a significant influence. It is crucial to understand how to lower the turnover rate of production workers while still igniting their passion.

1.2. Literature Review

Mi analyzed that the overall turnover rate of the garment industry is still very high. The main reasons for this phenomenon are salary and welfare, work intensity, promotion space, and family factors [1]. Family factors are very important. Most people engaged in clothing sales are women, and women will have many family constraints. For example, pregnancy and family changes will affect women's employment [1]. Fu found that A high turnover rate will lead to a herd mentality among employees. Employees who enter the company through the "crony effect" will naturally resign through the "crony effect" [2]. Because of this, when part-time employees (especially known students) face challenges at work, they may whine to one another, which will only make their unhappy feelings worse. This tendency currently easily influences how other employees think and act after one employee proposes to leave [2]. Zhu analyzed that the overall cultural level of employees in the garment industry is not high, and the entry threshold is low. Therefore, enterprises are not willing to spend a lot of money on job treatment, which leads to low salaries for employees. Therefore, employees unsatisfied with the salary will choose to quit. The fact that the majority of middle-level managers are chosen from the lowest levels of the organization and evolve into middle-level managers with lengthy workweeks and a strong work ethic is another major issue with the development of the retail sector. Low cultural quality, a lack of professional management experience, and poor management practices will lead to psychological imbalances among the workforce. Employees will decide to leave when unhappy with the boss [3].

1.3. Research Gap

Most scholars have studied the reasons for the high turnover rate from a macro perspective, while a few scholars have analyzed the reasons for the high turnover rate from the aspect of employees themselves. Macro aspects mainly include the company management system, the overall situation of the industry, social factors, and work content [4]. In terms of individual employees, family factors are the main factors. For example, most of those engaged in the garment industry are women, and they may choose to quit because of marriage and childbirth. Environmental factors, a high turnover rate, will lead to a loss of employee confidence. When most people around you have left, the workers feel anxious. They will think the company has a bad future, so people can't see the future and find the direction, which will also affect employee turnover.

1.4. Research Framework

This paper mainly studies the high turnover rate in the garment industry through two methods: interview and literature research. First, this paper consulted the data to understand the garment industry's turnover rate, then analyzed the data from three aspects: individual, company, and society. Finally, a detailed solution to this problem is given.

2. Methods

By referring to a large number of literatures, and analyzing and researching each paper, this paper finally concluded the most significant reasons for the high resignation rate and the most effective solutions to this problem. At the same time, by searching a large number of browsers about the turnover rate of various industries in China, this data is analyzed and investigated. Finally, these data are summarized, and this paper is completed. The main literature sources are China National Knowledge Network, Baidu Academic, and browser.

3. Results

The survey found that the turnover rate of employees in the garment industry is generally high, and the turnover rate of most companies is above 10%. A low turnover rate is not harmful to the company and can increase the diversity of the company [5]. However, when the percentage is too high (over 10%), it is very bad for the company, and high turnover can lead to the following problems. First, the large turnover of employees means that the company needs to spend a lot of time training new employees, which greatly increases the time cost. For example, a new employee may need at least a week to acclimate to the new environment and learn the workflow. During this period, the work efficiency of the new employees is very low, and other employees are needed to lead the new employees to familiarize themselves with the work, which also wastes the time of other employees. These time costs also affect the interests of the company to some extent [4]. Second, a high turnover rate will lead to a loss of employee confidence [5]. When most people around the employee have left, the workers feel anxious. They will think the company has a bad future, so people can't see the future and find the direction, which will also affect employees' work efficiency. If employees don't have confidence in the company, the company can't achieve good results. Thirdly, when the company's turnover rate is high, it will cause job vacancies and lead to low efficiency. When an old employee leaves, a new employee is needed to take his place. New employees need more time to match tasks, which can greatly reduce productivity.

High employee turnover has become a thorny issue in the apparel industry. As an example, Uniqlo's turnover rate was as high as 40% in four years from 2007 to 2011. What are the reasons for this phenomenon? The turnover rate of an enterprise is positively correlated with many factors. After the investigation of former employees of Uniqlo and those who intend to quit, it is found that the reasons for their resignation are as follows:

3.1. Company Reason

The first point, employees are not satisfied with the salary. They think the labor effort is not proportional to the harvest, and they often need to work overtime, but the company has not paid overtime. Employees were unhappy with this, so they chose to leave. The second point is that employees are dissatisfied with their leaders. The entry threshold of the garment industry is low, and there is no mandatory requirement for employees' educational backgrounds, so most employees have low educational backgrounds [6].

Moreover, the management personnel is gradually promoted to the management level from ordinary employees through performance and working hours, so they have not received professional training and deal with things in a personalized way. A lot of times do not respect employees and blame many mistakes on the employee. When the manager is unprofessional and unable to manage the team, when the employee conflicts with the manager, or when the manager does not treat the employee with basic respect, the employee will choose to leave.

The third point is promotion opportunities. When they first join the organization, many employees are concerned about chances for promotion. Employees become more eager to pursue prospects for advancement the longer they work for the organization. When there is little hope for promotion, employees will leave the company because they think they have no good prospects for the company [7].

Fourth, the work is too intense, and the staff is under too much pressure. The primary duties of sales associates in the garment industry include store sales, store cleaning and maintenance, store resupply, and sales ancillary labor. Therefore, the requirements for abilities are not great, and its primary qualities are complex and inconsequential, but these unimportant traits have somewhat raised employee job intensity [1]. Additionally, the roughly six times per month that goods are transferred, the end-of-month inventory, the monthly start of the season, and other overtime-related factors increase the work intensity of employees, lower their job satisfaction, and even lead to resentment, complaints, and other negative feelings. Work intensity thus has a significant impact on employee turnover [1].

3.2. Personal Factor

For individuals, the reasons for resigning are as follows: First, the work content is too simple and repetitive, which leads to boredom of employees, so they choose to quit. The garment industry has a lot of work every day and must face many different customers daily. The staff should keep a focused spirit, respond effectively, and not allow mistakes. In addition, after employees enter the garment industry, there will be no post-transfer in a short time, meaning that employees have to do a certain job repeatedly. It basically leads to the fatigue mentality of employees.

Second, the entry threshold of the garment industry is low, the educational requirements are not high, most of the employees are young, the work content is not technical, and the work repetition is large. Therefore, employees may choose to leave the company if they find that their abilities have not improved after a period of time.

Third, the garment industry is highly competitive. Employees who encounter companies with the better working environment and treatment will choose to change jobs.

Fourthly, the vast majority of employees in the garment industry are women, and women have many restrictive factors, such as marriage, children, and family changes, which will lead to the turnover of employees.

4. Discussion

The current situation of the garment industry is not optimistic; the turnover rate is very high, which has become the most intractable problem in the whole industry and must be paid attention to. Bai analyzed that from 2005 to 2006, the turnover rate of Chinese enterprises was less than 15%, and since 2007, the turnover rate has remained high. The retail industry is the industry with the highest turnover rate. From 2005 to 2013, the turnover rate of retail employees in China was 13%-22%. In recent years, the turnover rate of wholesale and retail enterprises has increased rather than decreased under prominent employment conflicts. Among them, the turnover rate reached 21.15% in 2008, 18.5% in 2010, and 18.9% in 2012. In 2012, the voluntary turnover rate of the retail industry reached 20%, 1.04 times that of 2010. This was followed by industrial manufacturing, high technology, and consumer goods. The three industries with the highest turnover rate in 2013 were retail (35.6%), logistics (30.2%), and machinery manufacturing (28.7%) [4]. As can be seen can see from these data that the current situation of the retail industry in our country is not optimistic. The company must pay attention to this problem and take countermeasures.

4.1. Adjust the Pay System

Adjust the employee's salary. According to the investigation of various aspects of the employee, the salary should be slightly adjusted and judged by the performance and effort level. The best employee can be selected every month and rewarded (including money and promotion) to motivate the employee to work hard. Pay to retain good employees. Maintain existing employees, reduce turnover, and increase their sense of belonging and loyalty to the enterprise to effectively reduce employee turnover.

4.2. Maintain Respect and Care for Employees

There is a problem in the clothing industry that focuses on customers and despises employees. If the customers are unhappy, the superiors will criticize the staff. When disputes arise, the company will demean the employees or ignore their legitimate rights and interests in order to prioritize the customers. As a result, employees must accept the criticism and apologize to the customer, and the company will not compensate them accordingly. In this aspect, businesses should supply solutions while maintaining fundamental employee respect. Instead of putting all the burdens on employees, they should focus on their rights and mental health [8].

4.3. Conduct Uniform Training for Managers

Because the entry threshold of the garment industry is low, most managers are not highly educated. Therefore, unified training should be conducted for managers. Teaching them how to assign tasks and treat employees with respect can increase employee loyalty when a team has good managers.

4.4. Make Work More Attractive and Avoid Reinventing the Wheel

First and foremost, managers need to avoid assigning monotonous tasks to subordinates. Repeating simple and single tasks will bore employees, so some innovative adjustments need to be made. Second, the level of complexity and challenge of the task may be appropriately increased, allowing workers to express their irrational initiative fully. Regular job switching, for instance, can boost job autonomy and improve work output. For instance, providing employees with a suitable opportunity to interact with others helps satisfy their social demands. Also, defining tasks and goals before putting people to work decreases uncertainty, which increases employees' understanding of the purpose of their job but also makes it more appealing.

4.5. A Clear System of Promotion

Have a clear promotion system. This can motivate employees to work hard and ensure fairness in promotions. For example, when an employee reaches a certain level of performance and can maintain it for a certain period of time, they will be promoted. This also allows employees to have a clearer goal, be more aware of what they should do, and be more efficient in completing the work [9].

4.6. Reduce Unnecessary Work

The staff work intensity is relatively large so that employees can be given some trivial things to professionals, such as cleaning and health handling goods. This miscellaneous work can be hired professionals to do rather than by employees. This can increase employees' satisfaction with their work and share the pressure for employees to some extent. When employee satisfaction with the company increases, the turnover rate will naturally decrease.

4.7. Take Care of Employees Regularly and Build Good Relationships

As a boss or leader, you can have regular conversations with your employees, not formal ones, but relaxed ones. Get an in-depth understanding of the employees, such as whether there is dissatisfaction with the company and where the company needs to improve. Seek feedback from employees to find the problem. When employees find the problems they mentioned are valued and improved, their satisfaction and loyalty to the company will be enhanced [10]. The turnover rate will also be lower.

5. Conclusion

5.1. Findings

The reasons for the high turnover rate are mainly as follows. First is the salary problem. Second, the entry requirements. Third, the management is not professional. Fourth, promotion opportunities. Fifth, the work pressure is too much. Sixth, the work content is simple. Seventh, employees have not been able to improve. Eighth, most workers in the garment industry are women. In view of these eight problems, the article also gives the following solutions. First, adjust the pay system. Second, maintain respect and care for employees. Third, conduct uniform training for managers. Fourth, make work more attractive and avoid reinventing the wheels. Fifth, a clear system of promotion. Sixth reduce unnecessary work. Seventh, take care of employees regularly and build good relationships

5.2. Research Significance

The turnover rate has always been a big problem in the apparel industry. Too much employee turnover leads to many cost increases for the company. Turnover in the apparel industry continues to increase year by year. Even though the problem has become serious, but is not taken seriously. Therefore, this paper proposes seven solutions to the problem of high emission rate. Suppose the company can implement each of these solutions. In that case, the dismission rate will definitely be improved, which will also help the company greatly reduce a lot of many costs. However, more efforts are needed to solve the problem of the emission rate. But the cost of employee turnover is much higher than fixing the problem. In addition, when the problems are improved, more loyal employees can be obtained. Meanwhile, the more senior employees are, the more familiar they are with the company, and the closer the relationship between them will be, which is also very beneficial for managers.

5.3. Limitations

The materials used in this paper are mainly from CNKI, Baidu Wenku, and being. Therefore, the article mainly uses secondary data and lacks primary data. In the future, primary data can be obtained through interviews, questionnaires, and data collection.

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