

Factors Influencing Employee Turnover at Tai'an RT-Mart, China

Zi Rong MAO and Bundit Vaivong

Master of Business Administration,

Faculty of Management Sciences, Phuket Rajabhat University

E-mail : bundit.v@pkru.ac.th

ABSTRACT

Against China's fast-growing private sector, high employee turnover has become a critical challenge threatening corporate sustainability. This study investigates turnover drivers at Tai'an RT-Mart, surveying 302 employees via cluster random sampling in 2024 and analyzing data with SPSS. Grounded in the March-Simon model and Herzberg's two-factor theory, it examines six independent variables against turnover intention. Reliability and validity are confirmed (Cronbach's $\alpha = 0.755$, KMO = 0.938). Statistical results show all factors are significantly and negatively related to turnover intention, with work environment and culture having the strongest impact ($\beta = -0.361$). The study proposes targeted improvements to retention and offers practical guidance for HR management in similar retail firms.

Keywords: Employee turnover, retail enterprise, human resource management, two-factor theory, turnover factors, regression analysis

INTRODUCTION

Since the 1980s, the knowledge-based economy has made human resources a core competitive asset. As a major local retailer, Tai'an RT-Mart faces severe HR challenges, with chain retail grassroots turnover exceeding 30% annually. Supported by national employment and talent policies, addressing high turnover is urgent. External factors include economic shifts and labor competition; internal issues involve unscientific management, limited career paths, and weak culture. Studies show salary alone cannot retain talent; supportive relations, career development, and work-life balance matter more. Analyzing causes and designing targeted strategies will help Tai'an RT-Mart stabilize its workforce, boost competitiveness, and provide references for similar retailers.

The purpose of the research

This study aims to focus on RT-Mart (Tai'an Store), through field research and statistical data analysis. Finally, based on the analysis of the current situation and causes, the study proposes targeted and operable strategies to address human resource turnover.

LITERATURE REVIEW

March and Simon's Theoretical Model

As a pioneering framework integrating the labor market and individual behavior to study employee turnover, it includes two core modules analyzing employees' perceived rationality and ease of leaving an enterprise. The former depends on employees' accessible external enterprises, the chance of getting suitable positions, and personal traits. The latter is determined by job satisfaction and employees' judgment of inter-enterprise mobility. The model also involves an individual decision-making model emphasizing bounded rationality where individuals choose satisfactory rather than optimal solutions. Additionally, it highlights organizational factors like structure and culture shaping individual behavior, and a separation model noting that turnover is affected by job satisfaction, organizational commitment, and external opportunities. The theory lays a foundation for organizational behavior research and guides enterprises to reduce turnover by boosting satisfaction and commitment.

Herzberg's Two - Factor Theory

Proposed by Frederick Herzberg in the late 1950s, this theory divides factors affecting employees into hygiene and incentive factors. Hygiene factors, including salary systems and the external job market, can only eliminate dissatisfaction but not motivate. Incentive factors, such as career development and harmonious leader - employee relations, can significantly stimulate employees' enthusiasm. It suggests managers meet hygiene needs and leverage incentive factors flexibly based on individual differences to enhance employee loyalty.

Related Research

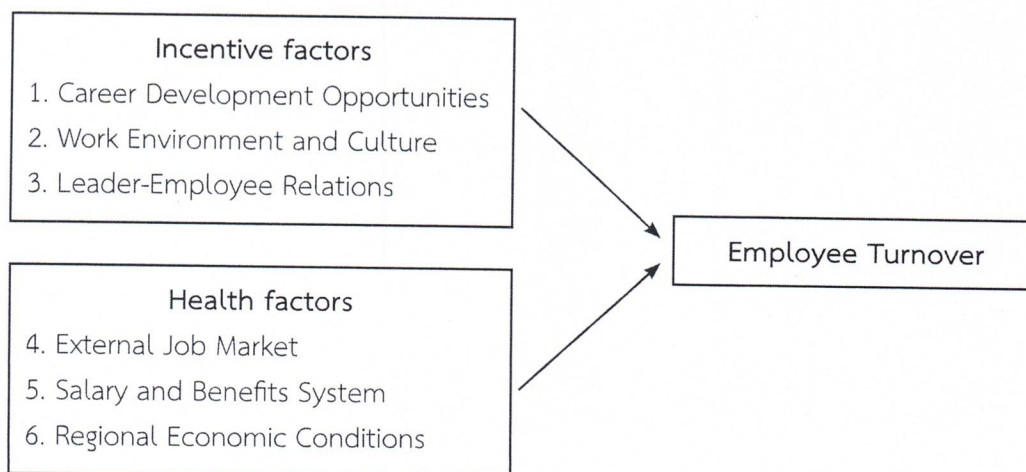
Numerous studies indicate high turnover plagues the supermarket retail industry, mainly due to internal management issues.

(Ying Tong, 2021) found 18 - 24 - year - old employees of Hunan Bubugao Supermarket had high turnover due to unfair management and poor salary incentives.

Recent studies further supplement details. (Zhiyong Yang ,2023) found M Company's grassroots employees were dissatisfied with salaries and career development, and proposed a "partner system + EAP" incentive plan.

Collectively, these studies align with the two core theories. Herzberg's theory explains how inadequate hygiene and incentive factors cause turnover, while the March - Simon model interprets employees' turnover decisions. They jointly suggest supermarkets should optimize salaries, improve promotion systems and build a sound corporate culture to retain employees. The theoretical framework constructed based on these two theories provides a key analytical tool for formulating employee retention strategies.

Theoretical Framework



RESEARCH METHODOLOGY

Population and Sample Group

This study focuses on the employee population of Tai'an RTMart in 2024, which totals 1,000 people. Using Yamane's (1967) sample size formula with a 95% confidence level and a 5% margin of error, the required sample size was calculated to be approximately 286. To ensure reliability and practical implementation, the final sample was rounded up to 302 respondents. The researcher selected these 302 employees using cluster random sampling. Participants were randomly chosen from multiple departments across the company. This sampling approach helps maintain representativeness and reduces bias in the sample structure. The resulting sample provides a valid basis for subsequent questionnaire surveys and statistical analysis.

Research Instruments and Instrument Evaluation

This study used a Wenjuanxing online questionnaire as its main instrument, developed through literature review, variable definition, item generation, advisor feedback, and expert validation. Only items with IOC > 0.5 were retained, giving a final IOC of 0.87, confirming good content validity. The questionnaire included eligibility screening, demographics, and a 36-item, 5-point Likert scale for turnover factors, with responses categorized into five levels. A pilot test of 30 participants produced a Cronbach's alpha of 0.75, indicating high reliability. After validating quality, the formal survey was distributed to 302 employees via Wenjuanxing.

Data Collection and Analysis

This study collected data from both primary and secondary sources. Primary data were gathered via online questionnaires distributed through WeChat Mini Program among Tai'an RT-Mart employees in 2024 using random sampling. Secondary data were obtained from websites, literature, journals, newspapers, and prior research to support theoretical framing. Data were analyzed using descriptive and inferential statistics: descriptive analysis covered demographic distributions, mean, and standard deviation of job satisfaction; inferential analysis used multiple regression to test whether employee satisfaction predicts HR attrition. This combined approach supported comprehensive description, hypothesis testing, and rigorous evaluation of turnover factors and practical implications.

Results and Discussion

Correlation analysis

According to the correlation analysis, the correlation relationships among the seven indicators, namely Career development opportunities, Working environment and culture, Leadership - employee Relationship, External jobs market, Salary and Benefits System, Regional economic conditions, and Employee loss rate, all pass the 0.001 significance level test.

	Career development opportunities	Working environment and culture	Leadership-employee Relationship	External jobsmarket	Salary and Benefits System	Regional economic conditions	Employee loss rate
Career development opportunities	1						
Working environment and culture	0.449***	1					
Leadership-employee Relationship	0.392***	0.401***	1				
External jobs market	0.371***	0.394***	0.441***	1			
Salary and Benefits System	0.428***	0.387***	0.488***	0.441***	1		
Regional economic conditions	0.417***	0.398***	0.380***	0.404***	0.429***	1	
Employee loss rate	-0.469***	-0.542***	-0.502***	-0.499***	-0.536***	-0.479***	1

Regression analysis

The Regression analysis results(n=302)

	Non-standardized coefficients		Standardized coefficients	t	p	VIF	Rsquared	Adj-Rsquared	F
	B	Standard error	Beta						
Constant	5.530	0.171		32.318	0.0		0.422	0.416	F(3,302)=72.585, p=0.000
Career development opportunities	-0.234	0.058	-0.206	-4.033	0.0	1.343			
Working environment and culture	-0.361	0.055	-0.335	-6.537	0.0	1.354			
Leadership-employee Relationship	-0.310	0.054	-0.287	-5.768	0.0	1.277			

a Dependent: Employee loss rate D-W:2.285

From the regression analysis, Regression results:

Career development opportunities: Coefficient = -0.234 (t=-4.033, p=0.000 < 0.001), with a significant negative effect on Employee loss rate. Working environment and culture: Coefficient = -0.361 (t=-6.537, p=0.000 < 0.001), with a significant negative effect on employee loss rate. Leadership-employee Relationship: Coefficient = -0.310 (t=-5.768, p=0.000 < 0.001), with a significant negative effect on Employee loss rate.

The Regression analysis results(n=302)

	Non-standardized coefficients		Standardized coefficients	t	p	VIF	Rsquared	Adj-Rsquared	F
	B	Standard error	Beta						
Constant	5.434	0.166		32.727	0.000		0.415	0.409	F(3,302)=70.489, p=0.000
External jobs market	-0.280	0.054	-0.263	-5.131	0.000	1.335			
Salary and Benefits System	-0.324	0.053	-0.319	-6.149	0.000	1.370			
Regional economic conditions	-0.246	0.053	-0.236	-4.641	0.000	1.319			

a Dependent: Employee loss rate D-W:2.073

From the regression analysis, Regression results:

External jobs market: Coefficient = -0.280 ($t=-5.131$, $p=0.000 < 0.001$), with a significant negative effect on employee loss rate. Salary and Benefits System: Coefficient = -0.324 ($t=-6.149$, $p=0.000 < 0.001$), with a significant negative effect on Employee loss rate. Regional economic conditions: Coefficient = -0.246 ($t=-4.641$, $p=0.000 < 0.001$), with a significant negative effect on Employee loss rate.

Hypothesis	Hypothesis Content	Result
H1	There is a significantly negative-directional influence relationship between Career development opportunities and Employee loss rate	Establish
H2	There is a significantly negative-directional influence relationship between working environment and culture and employee loss rate.	Establish
H3	There is a significantly negative-directional influence relationship between Leadership-employee Relationship and Employee loss rate	Establish
H4	There is a significantly negative-directional influence relationship between the external jobs market and employee loss rate.	Establish
H5	There is a significantly negative-directional influence relationship between Salary and Benefits System and Employee loss rate.	Establish
H6	There is a significantly negative-directional influence relationship between regional economic conditions and employee loss rate	Establish

CONCLUSION AND RECOMMENDATION

Taking Taian RT-Mart as a case, regression analysis shows six factors negatively affect turnover. Workplace culture, compensation, and leadership rank top. The integrated model is verified with interactive effects between internal and external factors.

Targeted suggestions are proposed. The compensation system adopts (Chen Keke ,2024) model to ensure salaries stay at the industry's 75th percentile. Three-phase leadership training and a dual-track promotion system could boost trust by 40% and reduce youth turnover by over 30%. Industry-wise, every 1-yuan investment in workplace improvement reduces recruitment costs by 0.8 yuan. Societally, it aligns with China's 14th Five-Year Plan by linking retention rates to employment subsidies.

This study innovates by integrating dual theories, refining factors quantification, and offering actionable suggestions, forming a replicable "Three-Dimensional Framework" for retail employee retention.

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