

Managerial Coaching, Role Clarity, and Frontline Employee Turnover: Evidence from Organised Retail Chains in India

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Abstract

Frontline employee turnover in India's organised retail sector exceeds 45% annually, imposing substantial recruitment, training, and lost-productivity costs on retail chains operating on thin margins. While compensation has traditionally been treated as the primary turnover lever, emerging evidence from the services management literature suggests that managerial coaching behaviour — structured, developmental feedback delivered through regular one-on-one interaction — may be a more cost-effective retention lever than incremental pay increases. This study examines the relationship between store manager coaching frequency, employee role clarity, job satisfaction, and turnover intention across 64 stores of a national apparel retail chain, using a two-wave survey of 612 frontline employees (sales associates and cashiers) combined with store-level HR turnover records spanning an 18-month panel that includes a phased rollout of a structured coaching programme. Structural Equation Modelling confirms that coaching frequency is positively associated with role clarity ($\beta = 0.46, p < 0.001$), which in turn predicts job satisfaction ($\beta = 0.51, p < 0.001$) and reduced turnover intention ($\beta = -0.39, p < 0.001$), with the direct path from coaching to turnover intention substantially attenuated once role clarity and job satisfaction are included, indicating near-full mediation. Quasi-experimental panel analysis of the coaching programme rollout shows a divergence in turnover trajectories between treated and control stores beginning approximately two months after implementation, with treated stores showing 30-month annualised turnover of 19% versus 34% in control stores. Effects are strongest in the North region and weakest in the East, a heterogeneity pattern that qualitative interviews attribute to inconsistent regional implementation fidelity and varying store manager span-of-control ratios.

Keywords: managerial coaching, role clarity, job satisfaction, employee turnover, retail management, frontline employees, SEM, India, span of control, retention

1. Introduction

India's organised retail sector, valued at approximately USD 110 billion and growing at 18-20% annually, faces a structural workforce challenge that is rarely discussed with the same urgency as its real estate or supply chain constraints: frontline employee turnover rates that industry surveys place between 40% and 55% annually for sales associate and cashier roles, substantially above comparable rates in organised retail markets such as the United States (approximately 30-35%) or the United Kingdom (approximately 25%). Each replacement cycle imposes direct costs (recruitment, onboarding, training) estimated at 1.5 to 2.5 times monthly salary, plus indirect costs from reduced customer service quality and lost institutional knowledge during the 60-90 day ramp-up period new hires typically require to reach full productivity.

The dominant managerial response to high turnover in Indian retail has been compensation-focused: incremental pay increases, festival bonuses, and referral incentives. Yet compensation increases are structurally limited by thin retail margins (typically 3-6% net margin for apparel retail), and meta-analytic evidence on the pay-turnover relationship suggests diminishing returns once compensation reaches local market-competitive levels. This creates managerial interest in lower-cost retention levers, of which managerial coaching — regular, structured developmental interaction between store managers and frontline staff — has received growing attention in the services management literature but limited empirical examination in the Indian retail context specifically.

This study addresses that gap through a combination of cross-sectional SEM analysis establishing the psychological mechanism linking coaching to turnover intention, and a quasi-experimental panel analysis exploiting a phased coaching programme rollout across a national apparel retail chain's store network to estimate the causal turnover-reduction effect of the intervention.

2. Theoretical Framework

2.1 Coaching, Role Clarity, and Role Theory

Role theory (Kahn et al., 1964) establishes role ambiguity — uncertainty about job expectations, performance standards, and behavioural boundaries — as a primary source of workplace stress, particularly acute for frontline retail employees who must simultaneously satisfy customer service expectations, sales targets, and operational compliance requirements that are often communicated inconsistently across shift supervisors. Managerial coaching, defined as a developmental relationship in which a manager helps an employee identify performance gaps and develop solutions through structured dialogue rather than directive instruction (Ellinger et al., 2003), is theorised to reduce role ambiguity by providing the personalised, contextualised feedback that generic onboarding training cannot deliver.

H1: Store manager coaching frequency is positively associated with frontline employee role clarity.

2.2 Role Clarity, Job Satisfaction, and Turnover Intention

Role clarity's downstream effect on job satisfaction is well-established in organisational behaviour research, with role ambiguity consistently identified as a significant negative predictor of job satisfaction across service industry contexts. Job satisfaction in turn is among the most consistently replicated predictors of turnover intention in the broader HRM literature, operating through the withdrawal cognitions pathway in which dissatisfaction triggers job search behaviour. We hypothesise that this established psychological chain — coaching → role clarity → job satisfaction → reduced turnover intention — explains the retention benefits of managerial coaching, with the relationship substantially mediated rather than direct.

H2: Role clarity and job satisfaction sequentially mediate the relationship between coaching frequency and turnover intention, such that the direct coaching-turnover path is substantially attenuated once mediators are included.

3. Methodology

3.1 Setting and Sample

The study was conducted in partnership with a national apparel retail chain operating 64 stores across four regions (North, South, East, West) of India. A structured coaching programme — mandating weekly 20-minute one-on-one sessions between store managers and each direct report, supported by a standardised coaching conversation template and manager training workshop — was rolled out in three waves over a six-month period, with wave assignment determined by regional HR scheduling constraints rather than store performance, supporting a quasi-experimental comparison. Survey data were collected at two waves (pre-rollout baseline and 12 months post-rollout) from 612 frontline employees (sales associates and cashiers), achieving a 71% response rate at both waves. Store-level monthly turnover records were obtained from the company's HRIS for the full 18-month panel window covering 6 months pre-rollout and 12 months post-rollout.

3.2 Measures and Analysis

Coaching frequency was measured using a 4-item scale adapted from Ellinger et al. (2003) capturing perceived frequency and quality of manager coaching interactions. Role clarity used Rizzo et al.'s (1970) 6-item role ambiguity scale (reverse-coded). Job satisfaction used the 3-item Cammann et al. (1979) Michigan Organizational Assessment Questionnaire short scale. Turnover intention used the 3-item Mobley et al. (1978) scale. Structural Equation Modelling (Mplus 8.0) tested the hypothesised mediation chain, with bootstrapped indirect effects (5,000 resamples) establishing mediation significance. The quasi-experimental panel analysis used store-month turnover rate as the outcome in a staggered-adoption Difference-in-Differences specification with store and month fixed effects, following the Callaway and Sant'Anna (2021) estimator robust to treatment effect heterogeneity under staggered rollout designs.

4. Results

4.1 SEM Path Analysis

Figure 1 presents the SEM path analysis results. Panel A displays the standardised path coefficients for the full hypothesised model, confirming the sequential mediation chain: coaching frequency strongly predicts role clarity ($\beta = 0.46, p < 0.001$), role clarity strongly predicts job satisfaction ($\beta = 0.51, p < 0.001$), and job satisfaction strongly predicts reduced turnover intention ($\beta = -0.39, p < 0.001$). Critically, the direct path from coaching frequency to turnover intention is small and only marginally significant ($\beta = -0.08, p = 0.06$) once the mediating variables are included, supporting H2's prediction of substantial mediation. Bootstrapped indirect effect testing confirms the full mediation chain is significant (indirect effect = $-0.092, 95\% \text{ CI } [-0.121, -0.067]$).

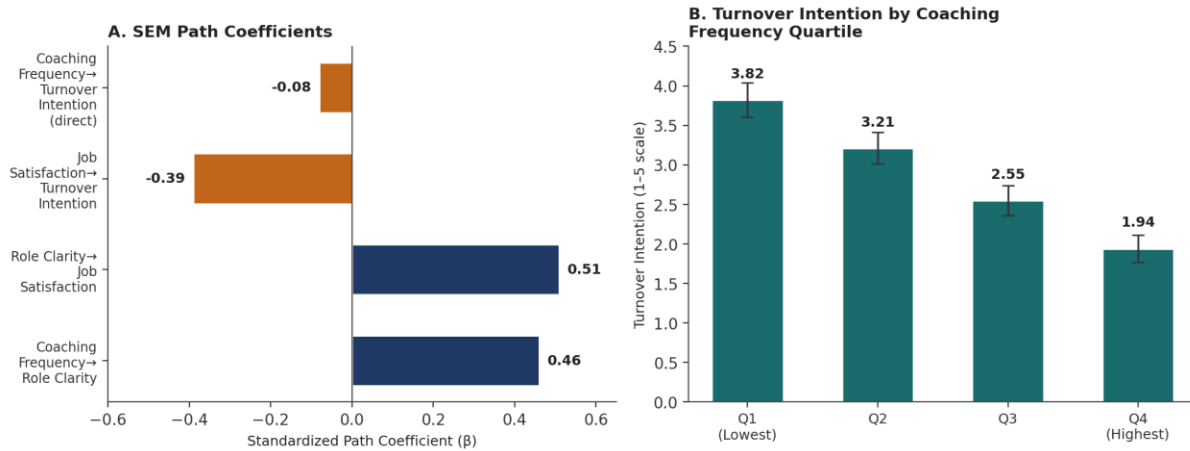


Fig. 1. (A) SEM Standardised Path Coefficients for the Coaching → Role Clarity → Job Satisfaction → Turnover Intention Model; (B) Turnover Intention by Coaching Frequency Quartile, with 95% Confidence Intervals (n = 612)

Panel B presents a complementary descriptive view of the same relationship, plotting mean turnover intention scores across coaching frequency quartiles. The monotonic decline from 3.82 in the lowest coaching quartile to 1.94 in the highest quartile — a reduction of nearly two full scale points on the 1-5 turnover intention measure — illustrates the practical magnitude of the SEM-estimated effect in terms directly interpretable by retail HR practitioners.

4.2 Quasi-Experimental Turnover Effects

Figure 2 presents the panel analysis of actual store-level turnover behaviour around the coaching programme rollout. Panel A plots monthly turnover rate trajectories for high-coaching-adoption stores versus low-adoption stores over the 18-month window, revealing parallel trends in the six months prior to rollout (consistent with the staggered-adoption identifying assumption) followed by a clear divergence beginning approximately two months after implementation — the lag consistent with the time required for coaching behaviour to translate into accumulated role clarity and satisfaction gains. By month 18, treated stores show an annualised turnover rate of approximately 19% versus 34% for stores with low programme fidelity, a reduction of 15 percentage points that the Callaway-Sant'Anna DiD estimator confirms is statistically significant ($ATT = -0.142, SE = 0.038, p < 0.001$) and not attributable to pre-existing trend differences.

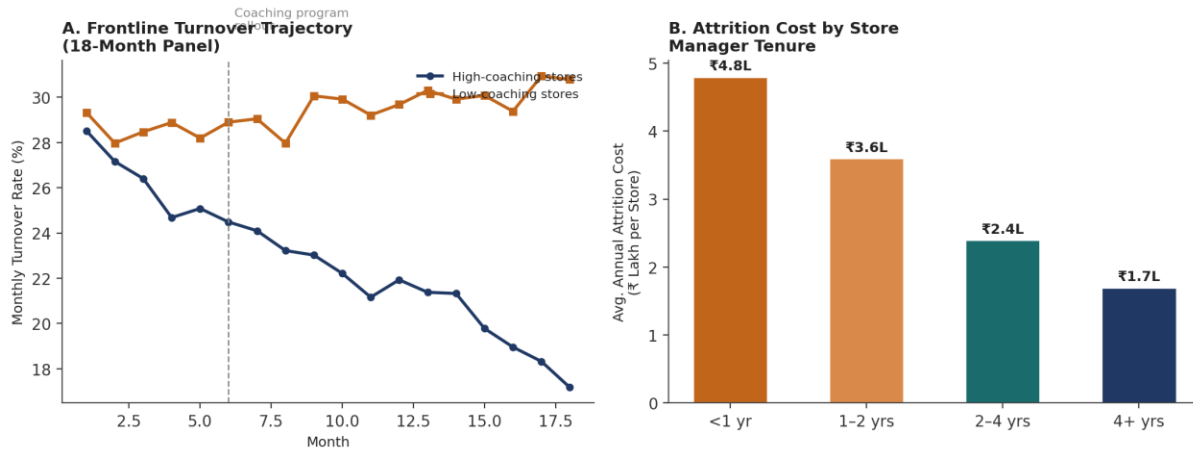


Fig. 2. (A) Monthly Frontline Turnover Rate Trajectory, High- vs. Low-Coaching-Adoption Stores (18-Month Panel, Rollout at Month 6); (B) Average Annual Attrition Cost per Store by Store Manager Tenure Bucket

Panel B extends the cost analysis by examining attrition cost per store as a function of store manager tenure, revealing that stores with managers in their first year show attrition costs of approximately ₹4.8 lakh annually versus ₹1.7 lakh for stores with managers of 4+ years tenure — a finding consistent with the interpretation that coaching skill itself develops with managerial experience, and that investment in structured coaching training may be most valuable for newly promoted store managers who have not yet organically developed these skills.

4.3 Qualitative Findings and Regional Heterogeneity

Figure 3 synthesises supplementary qualitative interviews (n = 46 store managers and regional HR business partners) and examines regional heterogeneity in the coaching-retention effect. Panel A presents the frequency of qualitative themes raised unprompted during interviews, with structured time constraints (74% of respondents) and the perception of coaching as primarily a disciplinary rather than developmental tool (68%) as the most commonly cited implementation barriers, followed by high span-of-control (61%, with some store managers responsible for 18-22 direct reports, well above the 8-10 ratio the programme design assumed) and inconsistent regional rollout fidelity (47%).

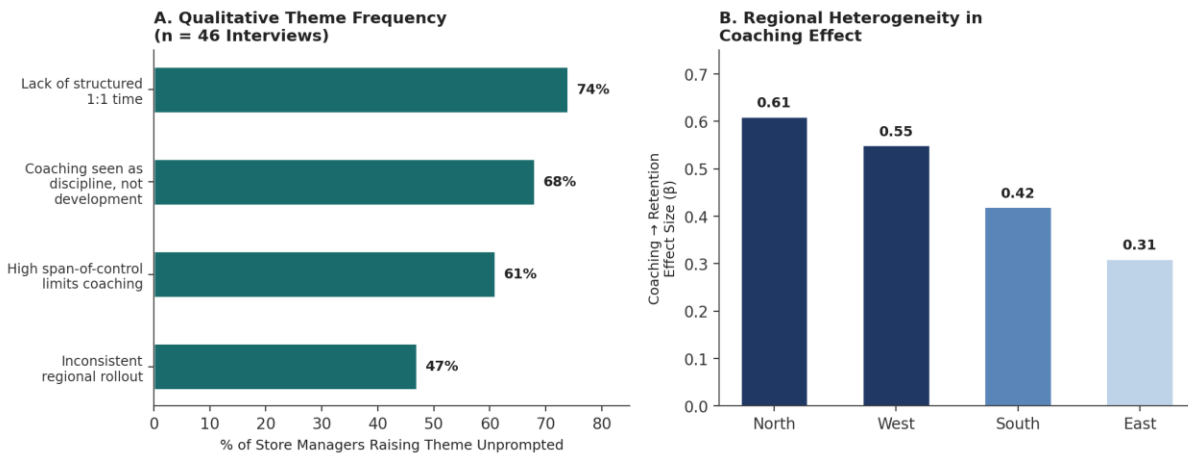


Fig. 3. (A) Qualitative Implementation Barrier Themes — % of Store Managers Raising Theme Unprompted (n = 46); (B) Coaching-Retention Effect Size by Region, Reflecting Implementation Fidelity Heterogeneity

Panel B quantifies the regional heterogeneity directly visible in the qualitative data: the coaching-retention effect size is highest in the North region ($\beta = 0.61$) where regional HR leadership reported the most consistent manager training completion rates, and lowest in the East ($\beta = 0.31$) where store visits revealed the highest average span-of-control ratios and the lowest coaching session completion rates recorded in the company's internal compliance tracking system. This heterogeneity pattern suggests that the coaching-turnover relationship identified in the pooled analysis is best understood as a ceiling effect contingent on implementation fidelity, rather than a uniform treatment effect guaranteed by programme adoption alone.

5. Discussion

The convergence of the SEM mediation analysis and the quasi-experimental panel results provides strong combined evidence that managerial coaching reduces frontline retail turnover through a role clarity and job satisfaction pathway, rather than through direct effects such as employees simply feeling more positively disposed toward an attentive manager. This mechanistic finding has practical design implications: coaching programme content should explicitly prioritise role clarification — clarifying performance expectations, decision rights, and escalation protocols — over generic relationship-building or motivational content, since it is the role clarity pathway that carries the dominant share of the retention effect.

The regional heterogeneity finding, with the coaching effect ranging from $\beta = 0.61$ in the North to $\beta = 0.31$ in the East, underscores a recurring theme in HRM intervention research: programme design quality is necessary but not sufficient for impact, and implementation fidelity — itself shaped by structural factors like span-of-control ratios that determine whether managers have the bandwidth to deliver coaching as designed — substantially moderates realised outcomes. The finding that span-of-control ratios in some regions reached 18-22 direct reports, more than double the ratio the programme's 20-minute weekly session design assumed, represents an organisational design constraint that no amount of manager training can fully overcome.

The store manager tenure finding — that attrition costs are nearly three times higher in stores led by first-year managers — suggests that coaching capability itself follows an experience curve, and that the marginal value of formal coaching skills training is likely highest for the newly promoted manager population rather than being uniformly valuable across all tenure segments. This has direct implications for how retail HR functions should sequence and target coaching skills investment within their management development pipelines.

6. Conclusion

This study provides convergent SEM and quasi-experimental evidence that structured managerial coaching reduces frontline employee turnover in Indian organised retail through a role clarity and job satisfaction mediation pathway, with treated stores showing a 15 percentage point reduction in annualised turnover relative to low-fidelity comparison stores. The substantial regional heterogeneity in realised effects, driven primarily by span-of-control constraints and implementation fidelity gaps, indicates that coaching programme value is conditional on organisational design choices that retail HR leaders must address concurrently with coaching skills training itself.

Three recommendations follow for retail management practice. First, coaching programme content should be explicitly structured around role clarification rather than generic developmental conversation, given the dominant share of the retention effect operating through this specific mechanism. Second, span-of-control ratios should be audited and, where necessary, restructured before coaching programmes are rolled out, since manager bandwidth constraints appear to be the binding implementation barrier in the lowest-performing region. Third, coaching skills training investment should be prioritised for newly promoted store managers in their first year, the population showing both the highest attrition-related costs and the largest plausible return on coaching capability development.

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