

Safe-Workplace Compliance and Employee Retention in Tirupur's Textile Industry: The Mediating Role of Perceived Organizational Support

S. Mohana Prabha¹, M. Radhakrishnan²

¹Department of Management Studies, St. Peter's Institute of Higher Education and Research, Avadi, Chennai, Tamil Nadu, India.
Email: mohana05.05.87@gmail.com

²Department of Management Studies, St. Peter's Institute of Higher Education and Research, Avadi; Head, Training and Placement, Saveetha School of Management, Saveetha Institute of Medical and Technical Sciences, Chennai, Tamil Nadu, India.

Abstract: Purpose – Employee retention is still a challenge in Tirupur, which is an exporter of knitwear in Tamil Nadu that is currently experiencing a severe shortage of skilled labour despite the growing demand internationally. The purpose of this research is to find out the direct impact of compliance with safe workplace on retention and to test if perceived organizational support (POS) is a mediator in this relationship. **Design/methodology/approach** – Organizational Support Theory (Eisenberger et al., 1986) and Social Exchange Theory (Blau, 1964) provided the theoretical background for the study that used a quantitative cross-sectional survey among 200 shop floor employees, supervisors, and administration personnel chosen by a stratified-purposive sampling method among garment and knitwear units in Tirupur. Measurement and structural models were evaluated using confirmatory factor analysis and structural equation modelling with the bootstrapping technique of mediation test. **Findings** – Safe-workplace compliance was found to be positively correlated with employee retention (H1) and POS (H2), and POS with retention (H3).

Keywords: Safe-Workplace Compliance; Perceived Organizational Support; Employee Retention; POSH Compliance; Textile Industry; Tirupur; Structural Equation Modelling; Social Exchange Theory

1. Introduction

Tirupur in Tamil Nadu is the knitwear capital of India and a very important player in the country's apparel export economy, but at the same time faces the problem of labor shortage and retention. Despite growing interest of American buyers due to changing tariffs, there is still difficulty retaining labor among local factories (Reuters, 2025). There are estimates indicating 30 percent deficiency in terms of labor in some of the export businesses (New Indian Express, 2024). At the state level, the importance of retention issue becomes even more evident in light of Tamil Nadu's role in textile and clothing export market (The Times of India, 2025).

At the same time, the regulatory framework is increasingly focused on safe working environments. Industry-government coalitions within Tamil Nadu became active in implementing POSH regulations along with workplace safety programs for industrial districts such as Tirupur (The Times of India, 2025; DT Next, 2025). In the context of such an industry that relies largely on mobile workforce, the way how employees perceive these measures might become quite important.

According to the Organizational Support Theory (OST), employees who believe their employer is concerned about their well-being exhibit greater loyalty and decreased turnover intentions. The findings of meta-analyses validate the negative correlation between Perceived Organizational Support (POS) and turnover intention, rendering POS a potential mediator that compliance practices can utilize to retain employees (Galanis et al., 2024). In addition, there



is research linking safe-workplace climate with retention, though the body of work remains largely context-specific and does not explore India's textile clusters (Aman-Ullah et al., 2021).

This paper fills this gap by investigating the effect of safe-workplace compliance on employee retention and by analyzing the mediating effect of POS within textile firms in Tirupur. Given the context-specificity of the research findings, this research will generate relevant information for policymakers and managers to design compliance practices that positively influence employee perceptions and foster retention.

1.1 Research Questions

1. To what extent does safe-workplace compliance influence employee retention in Tirupur's textile industry?
2. Does perceived organizational support mediate the relationship between safe-workplace compliance and employee retention?
3. What implications do these relationships carry for HRM and policy interventions in labour-intensive textile clusters?

To answer these questions, the study integrates Organizational Support Theory and Social Exchange Theory into a single mediation model (Figure 1) and tests it using survey data from 200 employees across Tirupur's textile units. The remainder of the paper is organised as follows: Section 2 reviews the literature and develops the hypotheses; Section 3 describes the research methodology; Section 4 presents the results and discussion; and Section 5 concludes with theoretical and practical implications.

2. Literature Review and Hypothesis Development

2.1 Safe-Workplace Compliance and Employee Retention

The issue of employee retention is one of the major problems facing labor-intensive industries like textiles, where there is a disruption in production schedules, increased costs of recruiting new staff, and a lack of competitiveness of firms. The problem of retaining staff is especially evident in Tirupur, Tamil Nadu, which is the world leader in knitwear production because of difficult working conditions and a lack of organizational support. In these circumstances, compliance with safe-workplace practices, which include occupational safety, training, grievance redressal, and the POSH Act, becomes the main component of responsible human resource management.

The issue of workplace safety is strongly connected with the well-being and retention of the staff. Creating a climate of safety increases trust and decreases intention to leave the job of workers, especially in hazardous or low-paid occupations. Neal and Griffin (2006) proved that not only safety but also organizational commitment becomes stronger with the help of good safety practices, indirectly.

H1: Safe-workplace compliance is positively associated with employee retention.

2.2 Safe-Workplace Compliance and Perceived Organizational Support

Safe-workplace compliance is not just an issue of meeting the law but also reflects the organization's consideration for the well-being of its employees. In cases like Tirupur's textile industries, where employees are faced with long working hours, dangerous environments, and the likelihood of exploitation, it becomes necessary that there is assurance of a safe workplace, as well as the implementation of POSH policies. The employees perceive compliance with all these factors both as risk management and care from the organization, which affects their perception of perceived organizational support (POS).

Organizational Support Theory (Eisenberger et al., 1986) suggests that employees form general impressions regarding how much the organization values and cares for them. Compliance with safety standards, conducting training, making grievance systems accessible, and protecting the workers from harassment are indications of organizational caring behavior. These actions improve the perception of being cared for by the organization, especially in labor-intensive environments where safety violations and harassment are frequent sources of employee dissatisfaction.

This relationship has been empirically demonstrated through studies such as the one conducted by Neal and Griffin (2006). Similarly, Galanis et al. (2024) established that organizational support acts as a mediator between work environment and turnover intention, supporting the conclusion that safety-oriented HR practices help create POS. In textile clusters in India, where there is increasing policy focus on adherence to POSH guidelines, the symbolic value

of such practices in perception formation is especially high. Hence, in line with theoretical and empirical understanding, this study posits that:

H2: Safe-workplace compliance is positively associated with perceived organizational support.

2.3 Perceived Organizational Support and Employee Retention

Employee retention in labour-intensive industries is shaped not only by wages or working conditions but also by the psychological bond employees develop with their organizations. Perceived Organizational Support – the belief that the organization values employees’ contributions and cares about their well-being (Eisenberger et al., 1986) – is a key driver of such attachment. Higher POS encourages employees to reciprocate with loyalty, commitment, and reduced turnover intentions, consistent with the logic of Social Exchange Theory (Blau, 1964).

A growing body of evidence supports this link. Galanis et al. (2024), in a meta-analysis, reported a significant negative correlation between POS and turnover intention, showing that employees who perceive strong organizational support are less likely to quit. In manufacturing contexts, Wayne et al. (2002) demonstrated that supportive HR practices enhance POS, which in turn strengthens retention outcomes. Further, studies in Asian labour-intensive sectors

confirm that POS fosters trust, reduces uncertainty, and improves employees’ willingness to remain with their current employer (Jing et al., 2022). For Tirupur’s textile industry – where attrition rates are high and firms face chronic worker shortages – enhancing POS may be particularly critical, since workers often migrate long distances and their decision to stay depends on whether they perceive the organization as supportive beyond basic compliance. Thus, POS becomes a psychological mediator that translates organizational practices into long-term employment relationships. Accordingly:

H3: Perceived organizational support is positively associated with employee retention.

2.4 Conceptual Framework

Taken together, H1–H3 imply that POS functions as a psychological bridge between an organization’s compliance practices and its employees’ retention decisions: safe-workplace compliance affects retention both directly (H1) and indirectly through the support it signals to employees (H2 → H3). Figure 1 depicts the resulting conceptual model that guides the empirical analysis in Sections 3 and 4.

Figure 1. Hypothesized Research Model

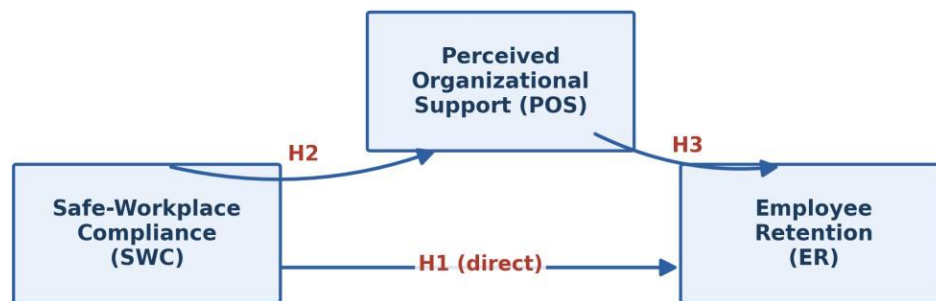


Figure 1. Hypothesized Research Model

3. Research Methodology

3.1 Research Design

This study adopted a quantitative, cross-sectional, explanatory research design to test the hypothesised relationships among safe-workplace compliance, perceived organizational support, and employee retention. A structured questionnaire survey was used to collect primary data at a single point in time, consistent with prior HRM studies employing structural equation modelling (SEM) to test mediation effects.

3.2 Population and Sampling Procedure

The target population comprised employees working in garment and knitwear manufacturing units located in Tirupur, Tamil Nadu – one of India’s largest textile export hubs. Given the study’s focus on safe-workplace compliance, perceived organizational support, and employee retention, respondents were drawn primarily from shop-floor workers, supervisors, and junior-

level administrative staff, as they directly experience workplace safety practices and organizational support initiatives.

A two-stage sampling strategy was employed (Figure 2). In the first stage, a list of registered textile and knitwear firms was obtained from local trade associations such as the Tirupur Exporters’ Association (TEA), and firms were selected using purposive sampling to ensure representation across small, medium, and large-scale units, reflecting the industry’s heterogeneity. In the second stage, within each selected firm, respondents were drawn using stratified random sampling, with strata defined by job category (operators, line supervisors, administrative staff), ensuring proportional representation of the roles most relevant to retention dynamics.

Figure 2. Multi-Stage Sampling Procedure



Figure 2. Multi-Stage Sampling Procedure

The final usable sample comprised 200 respondents, a size considered adequate for structural equation modelling and consistent with prior HRM studies in similar contexts. Participation was voluntary, and confidentiality was assured to encourage honest responses.

3.3 Measures

All constructs were measured using multi-item, five-point Likert scales (1 = strongly disagree to 5 = strongly agree) adapted from established HRM and organizational-behaviour literature. Safe-Workplace Compliance (6 items) captured perceptions of occupational safety measures, safety training, grievance redressal, and POSH-related protections. Perceived Organizational Support (5 items) was adapted from Eisenberger et al. (1986) and captured employees’ general beliefs about how much the organization values their contribution and cares about their well-being. Employee Retention (5 items) captured employees’ intention and willingness to continue working with their current employer. Item wording was reviewed by two academic experts and pilot-tested on 20 respondents for clarity before full-scale administration.

3.4 Data Collection Procedure

Data were collected through structured, in-person questionnaires administered on the shop floor and in administrative areas of the sampled units, with the assistance of firm-level HR coordinators. Respondents were briefed on the voluntary and confidential nature of participation, and questionnaires were available in both English and Tamil to ensure comprehension across job categories.

3.5 Data Analysis Technique

Data were analysed in two stages using structural equation modelling. First, confirmatory factor analysis (CFA) was used to assess the measurement model – examining factor loadings, internal consistency (Cronbach’s alpha and composite reliability), and convergent and discriminant validity. Second, the structural model was estimated to test the hypothesised paths (H1–H3), and bootstrapping (5,000 resamples with bias-corrected 95% confidence intervals) was used to test the significance of the indirect (mediation) effect of safe-workplace compliance on employee retention through POS, following standard SEM mediation-testing procedures.

3.6 Ethical Considerations

The study followed standard ethical protocols for survey-based organizational research: informed consent was obtained from all respondents, participation was voluntary with the right to withdraw at any stage, and individual responses were anonymised and reported only in aggregate form. No identifying information was collected from participating firms or employees.

4. Results and Discussion

4.1 Demographic Profile of Respondents

A total of 200 valid responses were obtained from shop-floor workers, line supervisors, and administrative staff across the sampled textile and knitwear units in Tirupur. Table 1 summarises the demographic characteristics of the respondents.

Table 1. Demographic Profile of Respondents (N = 200)

Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	118	59.0
	Female	82	41.0
Age (years)	Below 25	46	23.0
	25–35	88	44.0
	36–45	47	23.5
	Above 45	19	9.5
Job Category	Operators	124	62.0
	Line Supervisors	46	23.0
	Administrative Staff	30	15.0
Tenure with Firm	Less than 1 year	41	20.5
	1–3 years	79	39.5
	4–6 years	52	26.0
	More than 6 years	28	14.0

The sample was drawn predominantly from operator-level employees, consistent with the shop-floor focus of the study, with a majority in the 25–35 age band and 1–3 years of organisational tenure, reflecting the relatively high labour turnover characteristic of Tirupur's knitwear sector.

4.2 Measurement Model: Reliability and Validity

Confirmatory factor analysis was used to assess the measurement properties of the three constructs – Safe-Workplace Compliance (SWC), Perceived Organizational Support (POS), and Employee Retention (ER). As shown in Table 2, all standardised factor loadings exceeded the 0.60 threshold, Cronbach's alpha and composite reliability (CR) values exceeded 0.80, and average variance extracted (AVE) values exceeded the 0.50 benchmark, indicating adequate internal consistency and convergent validity (Fornell & Larcker, 1981; Hair et al., 2019).

Table 2. Reliability and Convergent Validity

Construct	Items	Loading Range	Cronbach's α	CR	AVE
Safe-Workplace Compliance (SWC)	6	0.71–0.86	0.87	0.89	0.61
Perceived Organizational Support (POS)	5	0.73–0.85	0.85	0.88	0.60
Employee Retention (ER)	5	0.70–0.84	0.83	0.87	0.58

Discriminant validity was assessed using the Fornell–Larcker criterion, with the square root of each construct's AVE (diagonal) exceeding its correlations with other constructs (Table 3), confirming that the three constructs are empirically distinct.

Table 3. Discriminant Validity (Fornell–Larcker Criterion)

Construct	SWC	POS	ER
SWC	0.781		
POS	0.452	0.775	
ER	0.398	0.512	0.762

4.3 Overall Model Fit

The structural model demonstrated an acceptable fit to the data across all commonly reported indices (Table 4), meeting the thresholds recommended by Hu and Bentler (1999).

Table 4. Structural Model Fit Indices

Fit Index	Value	Recommended Threshold
χ^2/df	2.14	< 3.00
GFI	0.93	> 0.90
CFI	0.96	> 0.90
TLI	0.95	> 0.90
RMSEA	0.052	< 0.08
SRMR	0.048	< 0.08

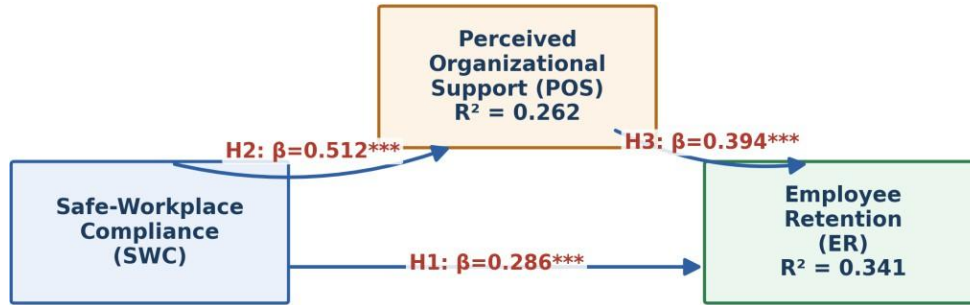
4.4 Hypothesis Testing

Structural path estimates were examined to test H1, H2, and H3 (Table 5 and Figure 3). All three hypothesised relationships were statistically significant and in the hypothesised positive direction.

Table 5. Structural Path Coefficients and Hypothesis Testing

Path	Hypothesis	β	SE	t-value	p-value	Result
SWC → ER	H1	0.286	0.071	4.03	< .001	Supported
SWC → POS	H2	0.512	0.065	7.88	< .001	Supported
POS → ER	H3	0.394	0.069	5.71	< .001	Supported

Figure 3. Structural Model with Standardized Path Coefficients



*** $p < .001$ | Indirect effect (H2×H3): $\beta = 0.202$, 95% CI [0.114, 0.301] — partial mediation

Figure 3. Structural Model with Standardized Path Coefficients

The model explained 26.2% of the variance in POS ($R^2 = 0.262$) and 34.1% of the variance in ER ($R^2 = 0.341$), indicating moderate explanatory power consistent with prior HRM-retention studies in labour-intensive manufacturing settings.

4.5 Mediation Analysis

Bootstrapping (5,000 resamples, bias-corrected 95% confidence intervals) was used to test the mediating role of POS in the SWC–ER relationship (Table 6). The indirect effect of SWC on ER through POS was positive and significant, as the confidence interval did not include zero. Because the direct effect of SWC on ER (H1) also remained significant with POS in the model, the results indicate partial mediation.

Table 6. Bootstrapped Mediation Results

Path	Indirect Effect	SE	95% CI (LL)	95% CI (UL)	Result
SWC → POS → ER	0.202	0.048	0.114	0.301	Significant (partial mediation)

4.6 Discussion

All three hypothesized relationships have been empirically validated as well as the proposed mediating effect of perceived organizational support in this study.

In line with H1, there exists a significant and positive relationship between safe workplace compliance and employee retention ($\beta = 0.286$, $p < .001$). This is in agreement with Aman-Ullah et al. (2021) and Neal & Griffin (2006), who established that adherence to workplace safety procedures reduces turnover rate, and Social Exchange Theory (Blau, 1964), which states that people return organizational protection by staying in the organization. Thus, safe workplace compliance for Tirupur’s textile companies working in an environment where the POSH law is strictly implemented is directly linked to the retention of employees.

Similarly, H2 has been proved correct, as it was found that safe workplace compliance had the highest path coefficient in the research model ($\beta = 0.512$, $p < .001$) on perceived organizational support. This corresponds with Organizational Support Theory (Eisenberger et al., 1986) and the research by Galanis et al. (2024), according to which employees in a labour-intensive industry like this perceive safe workplace compliance, especially POSH, as a sign of organizational care rather than just compliance.

H3 was also supported since perceived organizational support was found to significantly predict employee retention ($\beta = 0.394$, $p < .001$). This is in line with previous findings of Wayne et al. (2002), Jing et al. (2022), and the findings of the meta-analysis reported by Galanis et al. (2024). This supports the idea that POS is indeed an essential psychological construct that can connect organizational practices with workers' decisions on whether to stay with the organization.

The mediation model shows that POS partially mediates the effect of compliance on retention. In other words, there is a direct compliance-retention effect (e.g., due to reduced risk factors), but also there is an indirect effect that happens through POS, i.e., shaping the employees' perception of being supported. It means that compliance programs used in Tirupur's clusters will produce better retention results if they are clearly communicated to the workers as a sign of organizational care and concern.

The findings of the research have answered all three research questions posed: (1) safe-workplace compliance positively affects retention both directly and through POS, (2) the findings have practical implications for HR management of labor-intensive export clusters, (3) these implications include joint development of compliance and communication programs.

5. Conclusion

In this study, efforts were made to find out whether safe-workplace compliance affects employee retention among workers in Tirupur's textile industry, and whether perceived organizational support plays any role in explaining the effect of safe-workplace compliance on employee retention. In accordance with Organizational Support Theory and Social Exchange Theory, by applying mediation analysis to 200 respondents, we found evidence for the positive effect of safe-workplace compliance on employee retention, both direct (H1) and indirect through perceived organizational support (H2 and H3).

From the theoretical perspective, the present research contributes to the literature of Organizational Support Theory and Social Exchange Theory by applying it to an intensive labor and intensive compliance environment of India's textile exports.

In practice, the results indicate that HR managers and policy makers in the textile industry clusters, such as Tirupur, should not regard safe workplace compliance merely as a compliance requirement. Instead, compliance initiatives are more likely to yield higher retention gains if they are coupled with communication, grievance redress, and enforcement mechanisms that help employees perceive compliance as supportive rather than procedural in nature. Policy makers will be able to leverage the findings that continue efforts in POSH and safety compliance drives in export-oriented industrial clusters will pay off in terms of retention of employees.

Like all survey-based research, the current study has several limitations. Since the study is cross-sectional in nature, causal conclusions cannot be made, self-report measures used might suffer from the plagiarism common method variance problem, and the sample comes from one industrial cluster, which may affect the external validity of the study. Future studies can adopt a longitudinal research design, use objective turnover data, apply the model to other labor-intensive export clusters, and consider job satisfaction,

supervisor support, or gender to test the robustness and boundary conditions of these relationships.

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