

A Study on Understanding the Business Perspectives and Managing the Essentials of HR in Organized Retail sector

Dr. G K PATNAIK KARAKAVALSA

M.H.R.M, M.B.A, Ph.D
Faculty in Management,
Aditya Business School, Visakhapatnam.

Abstract: In the world of cut throat competition businesses are growing with a great pace and to sustain in the market, it is essential to come up with certain specific strategies that allows competing with the competitors in the digital era. If we understand the marketing channels, retailers are the key component where the ultimate buyer will make purchase decision. Therefore there is continuous demand for retailers both organized and unorganized. With the advent of corporate giants and FDIs in retail sector, organized retailers are taking a prominent role in the business of selling various products and providing service to the customer. In this context human resources in this sector are very essential because they are very contemplative according the observations of the researchers. HR Challenges posed in retail sector are somewhat different when it is observed with HR in other sectors. Human delicacies are very important to understand apart from skills and abilities. Taming the right behaviour and align them with the objectives set forth is a daunting task on the other hand it is important to create we care approach before extracting performance from them. There is an effort made towards understand HR in the context of Retail Sector, and the kind of people related challenges they come across and living in their reality, an approach to march forward with success.

Keywords: strategies, organized retailers, HR Challenges, performance, Human delicacies, skills and abilities, Retail Sector

Introduction:

In the era customer experience and ever evolving retail world, HR challenges are growing along with the progress in this sector. The HR teams have to confront several complicated brutal realities. Main issues are with the rate at which turnover is taking place. Some time it requires only seasonal workers and their non availability is a problem to be encountered with. The multiple store locations and managing people hiring, on boarding, training and so on are the major complexities what today's HR professions in this sector are engulfed with. Basically in retail outlets, HR management includes measuring the productivity, enabling the competitive edge against other retailers. So HR has to evaluate the productivity of the employees which results to overall performance of the organization. In this connection HRM in retail is understood with its actionable elements such as recruitment, selection, induction, training and development, supervision and compensation are important essentials needs to be managed.

As the globe welcomed retail with a boom, India has emerged as a hub of retail sector apart from all other sectors. There is a lot of demand for talent as the working conditions are totally different from others. They have to understand the potential customers' mindset and convert them into sales so that revenue can be generated. So the customer is the major revenue getter for retail organizations, so this challenge needs to be accepted.

Objectives of the Study:

The following are the objectives of the study:

- To know the HR practices in Retail Sector
- To study and understand HR Challenges in Retail Sector
- To Observe some of the emerging HR trends in retail sector
- To provide suggestions based on the observations found

Need for the study:

In the scenario of liberalization, globalization and privatization, Retail sector is the fastest growing in Indian economy and emerging as most acceptable business model in the present era of digitization. There is a need to focus on attracting talent, development and employee retention. This is clear that traditional HR practices are getting the shape of strategic initiative in the retail set up. This helps integrating business goals and HR strategic role exploring new avenues of revenue. Thus there is a need for the study about the forging challenges of HR in retail sector which can help exploring the emerging opportunities.

Methodology:

Research is a careful study of a particular problem and methodology is used as the framework that formally deals with the views of the researcher in a logical way to attain the research objectives. In this context methodology adopted in the study as follows:

Primary Data:

Data can be collected and referred as primary data is the information obtained from the respondents for the first time. The present study is mainly done with the help of using secondary data sources.

Secondary Data:

The secondary data mainly collected from various secondary sources like books, renowned journals, magazines, and articles available on internet and so on. Secondary data helps in understanding and interpreting the details that are helpful in the research and bring out the inferences necessary.

Review of Literature:

Ailawadi, K. and Keller, K.L. (2004), have discussed that Retail industry is in front of talent crunch situation observed mainly across the levels including middle management. Attrition rate in retail sector is high, manpower normally drawn from the sources like students, fresh graduates, and cyclic workers etc., these people normally quit jobs in quick successions in the quest better opportunities. The gap between demand and supply of demand of talented manpower is enormous in the retail sector.

Aswathappa, K. (2008), described HRM is most important function which cannot be ignored. People are the competitive advantage to any organization with proper skills, capabilities systems and practices. HR planning and processes must integrate the business strategy with innovation and creativity.

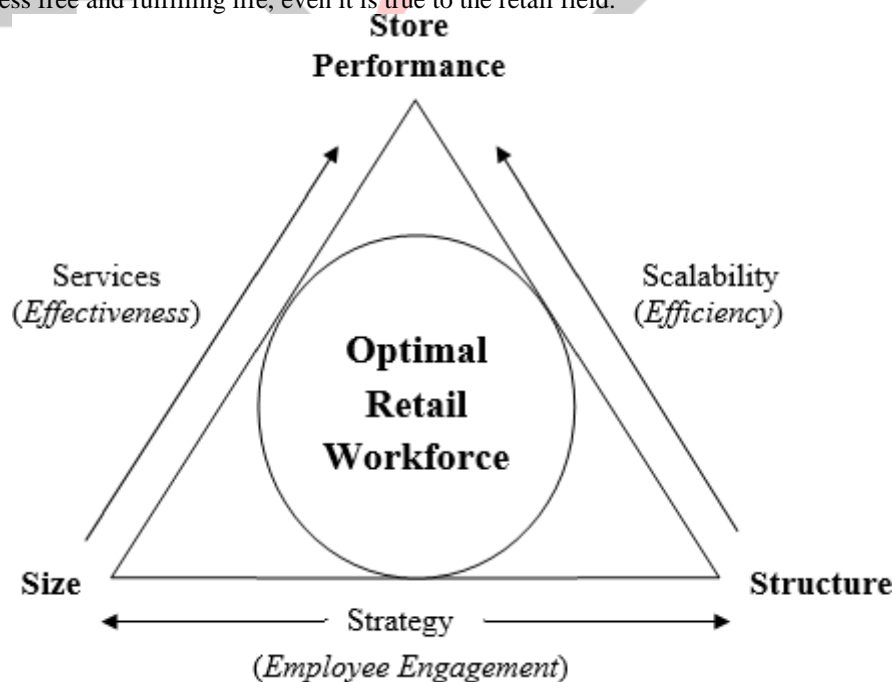
According to Chakraborty D. (2007), human capital plays important role in any organization and it is mostly accountable for its success or failure. Consequently, the human resource management (HRM) functions serves as a vital catalytic ingredient in providing required amount of competitive advantage to the organizations. Hence the organized retail sector has registered a mushrooming growth in terms of manpower and employment generation in the recent times and provides a strong impetus to the Indian economy as well. Chetan Bajaj (2016) denoted that retailing has become such an integral part of our daily routine that it is often taken for granted in general. But for the nations that have enjoyed the greatest economic and social progress have understood how strong retail sector is.

G K Patnaik and Silpa (2021) have explained that the organized retailing in India is undergoing a metamorphosis and is expected to scale up to meet international standards. They have emphasized the need for effective growth HRM. In this connection they further hints that the organized retailers in India and competent manpower that can strengthen businesses. This gives rise to the importance of HR practices as they are the prime movers of the growth engine of the retail sector. Pertaining to this there are so many challenges coming in the way of HR professionals including understanding work culture management.

Levy and Weitz (2012) emphasized the HR policies that are in implementation should be aligned with the retail strategy that can extract performance and achievement of organizational goals. Employee productivity can be enhanced with HR practices and uplifting their morale.

P. Arun Kumar and KGK Patnaik (2019) have clarified that in the present world of social turbulence, social inclusion is the most crucial observable fact that should lead to the financial inclusion of the nation. In order to meet this privilege social security is essential in which employee state insurance benefits plays the key role in serving the employees including retail sector. In this context almost all the organized retail units are adopting this HR feature.

Nagraj and Patnaik (2015) have advocated that work life balance is a very important factor which influences both professional as well as personal even it is same with people working in retail sector. If there is no balance, a people will feel as if they were the slave of their work and duties resulting loss of the will and interest in life. We can't debate on the fact that work life balance is major element for a stress free and fulfilling life, even it is true to the retail field.



Source: <https://www.igi-global.com/gateway/article/full-text-html/282518&riu=true>

An understanding of Retail in India:

It is observed that Indian Retail industry is expected to have amazing opportunities and can provide plenty of prospects for growth and progress. However, studies suggest that there has been a changeover from traditional retail formats to a more organized form of retailing with new changes in consumer buying preferences, demographic composition, and rising preference for mall culture. Some of the factors responsible for the growth of organized retailing are as under:

1. Growth of middle-class consumers.
2. Increase in the number of working women.
3. Value for money.
4. Emerging rural market.
5. The entry of the corporate sector.
6. The entry of foreign retailers.
7. Technological impact.
8. The rise in income.
9. Media explosion.
10. Rise of consumerism.

Indian retail sector has undergone many revolutionary changes in the industry 4.0 situation, in terms of business style since its evolutionary stages which have been attributed with consumers in different segments. Same as other rising economies India is experiencing noteworthy transformations in retail sector. The marketplace is growing, as the majority of retailers now focus on profitable maximization. Well established retailers tap the growing retail market explore them by introducing innovative technologies, various storage formats, and payment mechanisms to gain market leadership and competitive advantage.

Amidst HR Challenges successful Retail Management at D-Mart:

D-Mart is a well known retail chain which one stop shop for all consumer needs under single roof. Vision of Shri. Radha Krishna Damani set up D-Mart in more than 214 locations including Andhra Pradesh, Telengana, Maharashtra, M.P, Karnataka, Tamil Nadu, Punjab, Rajasthan etc., The first store was launched at Powai with a mission to be offer the customers with lowest price and they are expanding rapidly.

Actually the company named Avenue Supermarts Ltd. (ASL) owns and operates the DMart Stores supermarket chain is headquartered in Mumbai. People may have a hard time recalling anything legendary about D-Mart. But it has no advertising, no schemes, no loyalty programs, no 'Sale days' either, at least no 'Sabse Saste Din' or 'Big Billion Days' alike. However, this is one retail chain whose market cap is higher than both Future Retail and Aditya Birla Fashion's combined market capitalization. And it has never closed, shifted, or shut down a store in its 15 years of operations. It's famously said in the retail business that success depends on three factors: location, location, and location. However, 3 alternative approaches to success are closer to reality: Lowest Prices, Best Quality, and Widest Range. As markets grow, players tend to gravitate to one of those 3 options, because going after 2 or all 3 factors in many ways makes them vulnerable. Price is the location where D-Mart operates. Consumers are offered a minimum 3 % discount off their shelf on each product, and in some cases, the discount is as much as 10% off MRP.



Source: <https://franchisebatao.com/dmart-business-model-in-india/>

In this connection HR in DMart offers good money, flexibility, empowerment, and relaxed & efficient work culture. They even go on to hire 10th standard dropouts with the right attitude and commitment. They prefer hiring raw talent, and then invest heavily in training, to mold them as per their requirement. Employees are just told once about the value system and policies at D-Mart and then are empowered by giving them the freedom to operate without somebody constantly looking over their shoulders. There is absolute clarity on what needs to be achieved, but they don't need to fear about the targets.

"Hire character train skills" - Peter Schutz

Essential HR in Indian retail industry:

The following HR Challenges are been observed in retail industry:

1. **Unskilled manpower:** In the organized retailing it is observed that a massive man power oriented industry that recruits a huge pool of talented employees. But there is a huge scarcity of skilled retail professionals.
2. **Stressful working culture:** Retail industry comprises of stressful work environment where employees work on weekends without any breaks. In retail employees must be given a weekly or monthly off to help the employees rejuvenate, providing some facilities and benefits might attract some more people towards this profession.
3. **Providing basic facilities:** In general the HR practices must take care of the basic needs of the employees who are working upon their feet from nine to six or more. Providing restrooms, proper canteen service, recreation rooms to the staffs must be provided.
4. **Down top communication:** Retail job involves 80 per cent of communication and 20 per cent of business. Effectual communication absorbs top-down, down top and lateral interaction among employees. Though, open communication is encouraged from lower level employees to the upper level, which stimulate the employees to share their insight too which at times can be quite helpful for organizational achievements.
5. **Training and orientation:** Today retail training in areas like problem solving, key skills development, and presentation, useful communication are of prime significance to gain most advantageous performance from the employees in retail industry. It is observed that providing the proper training to the workforce is the best investment in the retail business.
6. **Grooming the staff:** It mainly involves uniforms with neatly ironed and crease free, clean shaves, right kind and right amount of deodorant, cheerful smiles are the few things about which employees must be efficiently trained with.
7. **Motivating and counseling:** Employees are motivated and stimulated who are bound to work beyond their capability, when they are given a suitable work environment and are motivated in sync with, are found to deliver their best.
8. **Customer oriented service:** "In retail industry when a customer walks in, he walks on par of the brands, but once the customer walks into the outlet, then it's the customer's experience that matters. Therefore, other than having a sales kind of an attitude, the employees should be motivated to have a customer service attitude to help the customers have better experience."
9. **Competency Mapping:**
An effective and scientific talent assessing practice wherein a person's skills, aptitude, strengths and weaknesses etc. are mapped against the pre-set requirements of the role. This practice is intended for increasing the talent hire hit rate.
10. **Building Capability:**
Customised and well-researched learning and development plans are created for making the workforce suited for the specific profile. At times, this capacity building also helps in locating/developing in-house talent, which in turn saves them the time and investment which would have otherwise been incurred for a new hire
11. **Talent Retention:**
High attrition rate in retail is accredited as a recognized, but inept practice. Best performance work practices are developed to make people plan their future with the organisation and thus avoid their outward movement. Career progression discussions, mentor allocation, internal movement provision etc. are couple of best practices which are aimed at retaining the talent.
12. **Diversity and Innovation:**
Diversity reflects innovation, especially in the retail employee base. Diversity in the workforce ensures a comprehensive and an integrated organisational approach in any situation. This risk and aberration in the regular process is something which brings variation and newness into the system. Several HR programs and policies are developed to ensure a constant identification and nurturing of a diverse workforce.
HR Practices have moved on from their previous identity of just being an operational and support function, to becoming a strategic partner for the organisations. Moving beyond the regular tasks of managing only the hiring and exit policies, they are now more about innovative prospect profiling, competency mapping, targeted hiring, ingenious methodologies for employee retention, productivity enhancing mechanisms, attrition reduction, industry trend analysis etc.

Suggestions:

- To improve the competencies of employees and retain them retailers in India must adopt resourceful HR practices to manage a massive workforce in a competitive environment there are numerous companies chasing too little talent.
- The retailers should uphold their goodwill in the by and large employment market through communicating its attributes in a way that distinguishes the company march towards competitive advantage.
- Retailers have to identify the right talents that are willing to entrust themselves over the long-term.
- Smart rewards and salary packages should be provided to the employees which includes both direct (salaries, commission and bonuses) as well as indirect payments (paid vacations, health and life insurance and retirement plans).
- The problem of attrition is very common nowadays. Retaining is more challenging than hiring.
- Therefore, retailers must observe different strategies which they can use to trim down turnover and enhance the spirits of their workforce.

"One machine can do the work of fifty ordinary men. No machine can do the work of one extra ordinary man"

Elbert Hubbard

Conclusion:

HR challenges are bound to make a difference particularly in retail sector. Every retail organization must have a HR manual that includes everything from clarifying timings, personal care and grooming, performance appraisal system, training and development initiatives. Effectual HR practices when kept in place results that competitive edge required. Apart from these HR practices, retailers are required to incorporate innovative HR approaches to help them stay ahead and stay functional which enables to meet the challenges in retail sector in the context of human resource management. On the other if HR in retail businesses are not organized

properly, as time has witnessed Subhiksha Retail Company turned to become another Satyam of this sector. Hence make sure a right business model with people related best policies are in place.

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