

## HUMAN RESOURCE MANAGEMENT IN INDIAN RETAILING SECTORS

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### Abstract

*Retailing displayed its significance in Indian market with tremendous contribution to the Indian economy. The development in the organized retail sector has showed the perfect platform to the Indian companies to enter into this sector. The entry of global players in retailing business has created huge challenges to the Indian companies. The organized retailers in order to respond to the competition, started to realize the need for efficient man power. The HR practices and the employee satisfaction became the primary concern for the organized retailers. The present study will provide a clear picture on the issues related to the HR practices and its impact on employees. The study will also focus on the various problems and challenges faced by the HR department in procuring and retaining the employees of organized retailing companies.*

**Keywords:** *HRM, retail sector, challenges, competition, organised retailer*

### Introduction

Human resource management (HRM) practices are most effective when matched with strategic goals of organizations. HRM's role in the company's success is growing rapidly with the growth in many sectors in the present globalized era. HRM is a vital function in organizations and becoming more important than ever. The HRM practices are crucial in designing the structure for man power, staffing, performance appraisal, compensation, and training and development. HRM practices are a primary means for defining, communicating and rewarding desired role behaviours and desired role behaviours are a function of organizational characteristics. Innovative HRM practices can play a crucial role in changing the attitude of the companies and its employees in order to facilitate the entry and growth in the markets. The HRM practices in service sector especially in the area of retailing have found significant importance in the present scenario. The retailing is one of the service sectors where the need of qualitative human resources is highly expected.

Retailing is an important element of business around the globe. Retailing consists of all activities that result in the offering for sale of merchandise to consumers for their own use. Retailing is the final step in bringing goods to consumer. They sell both goods and services. Retailing is the process of "Sale of goods or merchandise, from a fixed location such as a departmental store or kiosk, in small or individual lots for direct consumption by the purchaser. Retailing may include services, such as product delivery. Buyers may be individual or businesses; a retailer buys goods or products in large quantities from manufacturers or importers, either directly or through a wholesaler, and then sells in smaller quantities or lots to the end -users or consumers. Retailers are the end links of the supply chain as an important part of manufacturing/ marketer overall distribution strategy.

### **Overview of Indian Retail Industry**

Retailing is one of the pillars of economy because of its 13% contribution to GDP. Though the Indian retail sector is dominated by unorganized sector with 90% share, it is providing immense opportunities for large scale retailers to set-up their operations. The organized retailing sector is steadily increasing with the entry and operations of departmental stores, hyper markets, supermarkets and specialty stores which are replacing the traditional formats dramatically altering the retailing landscape in India. India is the third most attractive retail market for global retailers among the 30 largest emerging markets, according to US consulting group AT Kearney's report published in June, 2010.

Though the retailing sector is growing rapidly, some of the constrains are restricting its growth. Apart from the regulations and approval for Foreign Direct Investments (FDIs), the sector is strongly lacking the effective human resource practices. The problems of lack of trained work force, low skill level for retailing management, lack of development programmes to the existing human resources and problems in retaining qualitative manpower are some of the obstacles creating huge challenges to the Indian retail sector. At present, to overcome some of the challenges faced by retail, the companies are investing heavily in training and recruitment of qualitative work force.

### **Problems & Challenges Ahead**

Human resources people are the backbone of any company and the success of retail business depends a lot upon the kind of human resource strategies it is following and how people are managed. Because of increasing competition between organized retailers, the retail industry is facing the challenges and hurdles from different areas. From the survey on select organized retailers, the following observations were made.

### **High Attrition**

Employee retention and motivation of staff has become the major concern for HR department in the organized retailing sector. Because of the strenuous schedules and tasks involved in the retail industry, it becomes imperative for HR staff to take good care of their employees who form the building blocks of their retail chain. The undercurrents among the employees regarding company policies are many and they must be felt from time to time to sustain the quality crowd and reduce the attrition rate. From the report of Retailer, it is found that the attrition rates are comparatively high when it comes to the retail industry in India. The attrition rate in the Indian retail industry is 30-35 percent. The main reasons found to be the typical nature of job where a particular employee of an organized retail company need to work on his feet the whole day and the job is reaction intensive and the business is mainly transactional.

### **Training for Competition**

The need for efficient trained sales team is of great importance in the organized retailing at present. For every retail organization, the secret behind the success of their business is to keep the list of their loyal consumers interact. The need for a well designed HR practices are greatly needed for proper training to the newly recruited people to the retail organization. Providing training to the sales staff plays a significant role in every business operation. Nowadays, the organized retailers are looking at a sales training company to help the sales staff gain more proficiency and expertise in their respective field.

### **Stressing Upon Benefits of Advertising**

The HR managers and trainers are emphasizing upon making the sales people to think and act innovatively in designing the retail out let and as well as attracting the customers through innovative promotional strategies. The trainers are focusing on making the staff to effectively use advertising as a tool to enhance sales, promote growth, and attract new consumers.

### **Counting the Customers**

In this, the retail firms and the trainers are making the staff of the retail organization to increase the customer relationship management. Through effective training, the trainers are working on highlighting the components of marketing strategies which the sales people should perform activities of promotion, product development, relationship management, distribution and pricing. The trainers are making the retail staff which include sales staff and supporting staff to identify the firm's marketing goals, and are explaining about how the goals can be achieved.

### **Online Training**

The trainers of HR department are showing the visuals of well designed and successfully running retail organization's outlets to the employees in order to make them to realize the importance of the design of retail outlet. Apart from that, from the survey it was also realized that the trainers are focusing on online training which include web based support to enhance the abilities of the staff of the retail outlets.

### **High Labour Costs and Complex Nature of Labour Laws**

Because of the increasing competition and the complex nature of the work, the retail outlets are facing the problems of labour costs. Apart from that, various labour laws are giving restrictions to the HR department to achieve desired objectives of the retail organizations. Especially, when retail organizations are performing 365- day operation, the problems in encouraging and motivating the employees to perform well is a tough challenge for the HR department.

## Conclusion

The human resource management practices are vital for the development of any business or sector. The HRM practices have inevitable dependence on the organized retailers. From the study it was found that, right from new hire to orientation period, there are many differences in the implementation of HR practices in the selected organized retailers. The satisfaction levels of various performance appraisal measures adopted in the selected retail outlets showed that the employees are not only favoured to the incentive plan but also the healthy environment and close relations between the peers are playing vital role for their performance. The HR department is facing the challenges which include high attrition rate, absenteeism, and implementation of innovative practices in the retail outlets. Hence, from the study, the employee facilities and proper performance appraisal measures will always encourage the employees to achieve the best. Hence, the retail outlets should decide and implement proper HR practices in order to retain and develop the work force who are the asset for the development of organizations. The government should also need to bring revision of existing labour laws and should provide flexibility in working hours and should encourage with its laws that can bring conducive environment.

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