

Human Resource and Employment in Retail

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Abstract: In India the sudden and unprecedented growth in organized retailing poses a challenge to human resource development. With growing consumerism, unprecedented awareness, and a youth-hefty customer base, India is perceived as “Most Promising Land” for the Global and domestic retailers. According to AT Kearney’s 2007 Global Retail Development Index (GRDI), for the third consecutive year, India remained at the top retail investment destination among the 30 emerging markets across the world. Similarly as per the report of McKinsey Global Institute (2007), India is becoming the world’s 12th largest consumer market in the world. Thus Indian retail market is professed as potential goldmine and is attracting a large number of giant international and domestic players in anticipation of explosive growth. As per report by FICCI (2007) the organized retail sector had reached from 4% to over 20% by 2010, as the overall retail sector grew from \$328 billion to \$430 billion. With the emergence of organized retailing nature of employment has completely changed in retail. The skill expectations and performance levels are also much higher. This sector looks for skilled labour. The entire conceptualization of labour is also very different from that in unorganized retailing.

Keywords: Explosive growth, Retail Investment destination, Human Resource and Employment in Retail.

1. INTRODUCTION

Retailing is the most happening business in India. It contributes 10% to GDP and 8% to employment after agriculture. Statistics reveals that the organization retail sector has increased the employee base from 5.4 lakhs to 16 lakhs over the last few years, in 2010 about 11.5 lakh jobs in the organized sector and 2 million jobs in the unorganized sector will be thrown open. Due to long working hours of the outlet abundant opportunities for part time positions is also available in this retail sector.

Objectives:

- 1) To study the opportunities of employment in retail.
- 2) To analyse the type of personnel and skill required in retail.

(A) HR in Retail

Most of the activities in the retail are talent driven and the people are the greatest assets. Ability of any retail organization to survive, grow and excel in the competitive environment considerably depends upon the quality of human resources it possesses. The Human Resource function constitutes; recruitment and training of employees, deciding the salary and compensation packages, evaluating performance appraisals, promoting, transfers, discharge etc. and ensuring high employee motivation and low staff turnover.

In order to ensure that there is balance between maximum productivity and minimum cost the retailer does have to skillfully recruit right person on the right job. Employees of different skills are required to perform different tasks. Employees may be:-

- **Core employees:** These are fulltime employees and are on the roll of the company. The core employees however constitute the organization structure of the retail business and perform important activities. CEO’s , Head of operations, Head of merchandising, Head of finance, Technical head, Marketing Head, Regional Manager, Stores Manager, Department Managers, Management trainees and sales people. Store operations involve selling, management of goods flow, store maintenance, customer service and transaction processing.

The sales person plays an important role in technology goods, high value high involvement goods such as jewellery and watches, and customer's service includes delivery, repair, warranty work and handling of customer returns.

- **Short term contract employees:** They are on roll for specific duration they are useful in peak hours/seasons like Diwali to December.
- **Apprentices:** They are trainees who work on job for specified period.
- **Part timers:** They work for specified time everyday; these are college students and housewives. The part times help to balance between availability of employees and flow of customers in the outlets.
- **Consultants:** They are specialists and their services may be required only some times, like fashion designers, legal experts etc.
- **Self employed agents:** These are common agents who operate outside the stores and are instrumental in bringing the customers to the stores.
- **Agency temporaries:** These are the staff from agencies normally used for survey promotions or events within the stores.

(B) The kind of personnel and skill required in various retail forms is as follows

(a) Store Manager/Department Manager:

He is responsible for the day-to-day management. He should have ability to devise, suggest, as well as execute sales. Understanding of various aspects of customer's behavior is very necessary to stimulate sales. The store's manager should also have understanding of local market- like product knowledge, knowledge of offerings, ensure optimum stock levels, identify and finalize vendors, ability to handle difficult/demanding customers. To be successful in discharge of duties the store's manager should have knowledge of soft skills, market and buyer behaviour, knowledge of English and the relevant regional language.

(b) Transaction Processing Associate/ Billing Associate:

Transaction Processing Associate should be techno savvy he should know transaction related to bar code reading machines, handling credit/debit card payments, and have good interpersonal skills.

(c) Customer service representative/Sales Associate/Sales person:

Customer service representative must have knowledge of current sales promotion schemes, knowledge of policies regarding exchanges, knowledge of store offerings, Knowledge of product -Brand options, warranties, features and benefits use/application, Care and handling, Safety measures, price.etc Knowledge about the merchandise, The executive must be able to understand both explicit and implicit customers requirements such as -Size, colour, Price range, usage, convenience, flexibility, ability to interface effectively with customers.

(d) Merchandising Manager/ Sr. Merchandising Manager:

The merchandising manager is expected to have understanding and knowledge of current market trends- ability to ensure that high demand gets more share of the shelf space. Knowledge of products, customer behavior, adequate reporting skills, data analysis etc. are some important parameters.

(e) Merchandising Associate/Executive:

Merchandising Associate has understanding about the store layout, display scheme and merchandising strategy and customizes it for different stores.

On analyzing the current levels of retail space and projected growth, it is expected that for a departmental store the manpower allotment thus is 1 person for every 200 sq.ft., specialty retailers will employ four people per 100 sq.ft, and a hypermarket will have one person every 300 sq.ft. Thus an additional 10% people will be required for back-end operations. The human resources recruitment would increase from the current level of about 0.3 million to about 17.6 million by 2022, leading to an incremental employment opportunity of about 17.3 persons.

(C) Skills requirement

Retailing is not an easy task that can be learnt in the classrooms and boardrooms. It is more of an art and less of science. Major proportion of the employment in the retail sector is in the front-end. Stores operations account for 75%-80% of the total manpower employed in the organized retail sector. The education profile of the human resource will vary for retailers in small cities and rural areas.

Store Executives

In multi brand stores the sales counter staff need to have general product knowledge, basic knowledge of English and local languages. In the case of exclusive brand outlets, deeper knowledge of fashion trends, excellent communication skills and customer service skills.

Merchandising

This segment is significantly affected by seasonality and fashion trends. Moreover the customer's tastes vary for different catchments area. Highly skilled merchandising managers with relevant experience are much sought. The merchandiser has to be in sync with the market trends in terms of styles, colors and types of fabrics in vogue.

Fashion Accessories

In fashion accessories Personal grooming, customer service, and basic skills are required. There is a need for technical knowledge of products- in the case of eye-wear, watches, which, requires on the job training /product specific training.

Food and Grocery Retail

In this format the skill requirement are similar to the generic skill sets required in large apparel formats- general product knowledge of English and local languages and a cheerful disposition.

Health and Pharmacy Retail

This requires pharma graduates and management graduates for marketing, tying up with insurance companies and hospitals. Trained in beauty care and strong communication skills personnel are required.

Electronics Retail

In case of electronics retail there is requirement for a deep understanding of technology which helps for science graduates and diploma holders. Apart from this, the generic skills of customer interaction, communication etc is required.

Techno Savvy

Technology is the key enabler for the success of any retail. Many employees are required at the frontend and backend to perform processing and accounting activities. It is the most important aspect in retailing covering the supply chain management. ERP, RFID, Barcode, Internet based technologies are largely used in retail. Enterprise resource planning is cross functional and enterprise wide solution-oriented application software which integrates operations, finance and accounting, human resources and inventory management. The basic function of RFID is to fix a computer readable tag to each product at the retail store. The tag consists of silicon chip and an antenna. The antenna enables the chip to transmit identification information to the reader. Technologies like barcode and Internet are largely used in retail.

Most retailers in the organized sector in India use retail software in their back end and front end operations. To help this growing retail sector get the best, many Indian software companies have developed software packages to suit different and varied requirements of these retailers. Reputed organizations like Wipro InfoTech, Tata Consultancy Services and NCR Technologies have created robust retail automation software. There are many other packages like MS Retail, Shopper, Retail Pro, Retail Magik, etc. that help enable the fast implementation of retail automation in India available in the market. ERP packages like JDA, SAP Retail, Oracle Retail, etc are being used in retail.

(D) HR Practices in Organized Retail

1. Providing safe and secure workplace: -this includes;

- a. paying salaries on time
- b. providing and processing leaves, loans and other requests on time.

- c. providing neat and clean wash rooms, changing rooms and rest rooms.
- d. providing good uniforms
- e. ensuring the handling of grievances
- f. and equitable treatment at workplace.

2. Employability: The company usually makes sure that there is job rotation, to make the employee more diversely skilled which increases his/her employability. The employability in case of organized retailing is evidently much higher.

3. Operations and merchandising: Organized retail markets hires MBAs for operations and merchandising profiles. The candidates go through an induction period and short training. They are allotted projects for the few months under the supervision of project guides. Then they are placed in suitable positions with progressive authority and responsibility. In organized retail the focus is on internal growth and development of the employees. The company is continuously engaged in providing training to all employees.

4. Recruitment and retention: It is observed that the employees leave the job very frequently. Hence it is the responsibility of the management to give better incentive and retain the employees as the cost of replacement can be much higher.

5. Incentives and promotion: Money is the attraction for fresher and starters; career satisfaction is the main reason with experienced personnel. Assigning the "Right project to the Right person" is a must. There is a huge scope for fast promotion within the hierarchy of employees that starts with sales staff followed by assistant store manager, store manager, area sales supervisor etc. Within 5 years an employee can move up from post of salesman to asst. store manager. Promotion from store manager to Area sales supervisor also takes around 4 to 5 years.

6. Work hours: In case of organized retail, work hours are usually from 9am to 10pm. There is a weekly off, which can be on any weekday. Holidays include yearly paid leave for 30 days.

7. Past experience: In case of organized retail, past experience in organized retail is very important for recruitment. Although all companies have their own training sessions after recruitment, in retail skills are expected to increase with experience. Freshers are employed only as sales staff. Other posts compulsorily require past experience. Education makes a difference in the way the person carries him or deals with people. Hence people who are working in the retail sector or gain entry in are well-educated usually having a graduate degree.

8. Performance: In organized retail performance is monitored and evaluated on a regular basis including attendance. There is daily report that is sent to the management. There is surveillance mechanism whereby employees are continuously supervised by manual and technological assistance (camera). There are sales targets that the sales persons have to meet over the month or a week. Thus organized retailing essentially involves an active effort on the part of the employees to meet the expectations of the employer.

9. Training: In case of organized retail, formal training is provided to the employees immediately after recruitment.

(i) For sales staff, the training period lasts from 3 days to about a week. Training is usually provided by the specific brands, whose products the company sells. Training and updating of employees also happens at store level. The training basically covers two aspects: customer interaction and product knowledge. Detailed instructions regarding how to deal with customers, mannerism, enhancement of communication skills etc. is provided. Product knowledge includes some knowledge provisions regarding the variety, quality, and material of product.

(ii) In case of the house-keeping and the security staff, the training is more rigorous and detailed. It includes instructions regarding use of cleaning fluids etc to maintain the cleanliness and hygiene of the mall.

(iii) Security training involves detailed session on fire control, instructions for maintaining the overall safety and security and fire exit management of the mall. They also receive instructions concerning managing the parking zones, keep watch over CCTV of the mall, regarding behavior with customers and norms concerning cleanliness and self-grooming of the employees. The training sessions are conducted every two months to update the skills of the employees.

10. Grooming and present-ability: The entire idea of grooming and present-ability of the sales staff and other employees of the store is very unique to organized retail. Clean uniform (provided by the company) preferably formal dress, polished shoes, dress and appearance (particularly hair) proper grooming, present ability, soft communication and marketability skills etc are extremely important for the employees, and they are practiced by the retail organizations.

(E) Retail as an Employment Generator

The retail sector in India employs nearly 21 million people, accounting for roughly 6.7% of the total employment. However, employment in organised retailing is still very low, because of the small share of organised retail business in the total Indian retail trade. The share of organised retailing in India, is at 2%, which is absolutely low, as compared to US which is 80%, US alone has over 12% of its employable workforce engaged in the retail sector. While it is 40% in Thailand, and 20% in China, this shows that there is huge market potential that is largely untapped.

In India modern retail and retail services sector has the potential of creating over 2 million new (direct) jobs within the next 6 years. According to Arvind Singhal, CMD, KSA Technopak. Retail can create as many new jobs as the BPO/ITeS sector in India. A strong retail front-end can also provide the necessary fill up to agriculture & food processing, handicrafts, and small & medium manufacturing enterprises, creating millions of new jobs indirectly. Through its strong linkages with sectors like tourism and hospitality, retail has the potential of creating jobs in these sectors also. The Planning Commission has identified retail as a prospective employment generator, in order to strengthen the multiplier effect of the growth in organised retailing upon the overall employment situation, a pro-active governmental support mechanism needs to evolve for nurturing the sector.

2. CONCLUSION

India got started with organized retailing just a few years ago. There are very few categories, the most prominent being food and apparel, where organized retail chains have had a significant presence for more than 3-4 years. Indian retailers have done very well. Particularly after taking into account the various obstacles and hindrances like real estate costs, lack of trained manpower etc. Growth of organized sector in retailing will yield efficiencies in the supply chain, enabling better access to markets, to producers and to the customers. The strength of organized retail lies in resource availability. It can be translated into efficient supply chain management, leading to faster inventory turn around. India's organized sector thus is all set to explode. Organized sector is growing at a much faster rate of 45-50 percent per annum and has quadrupled its share in total retail to 16% by 2011-12.

India is at the crossroads with regard to the retail sector. There is need for balanced approach to retail, and government has to play a very vital role in shaping the future of retail. Though traditional retail has been performing a vital function in the economy, it has to shed off its shortcomings and inefficiencies, and this is actually happening. Thus, the organized sector is not only impacting the other sectors positively but also it has benefited its own competitor i.e. Unorganized sector. So organized sector becomes the growth mantra of retail today.

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