



Role, Scope, and Challenges of HR in Retail Sector

KEYWORDS

HRM, special tellers, GDP, attrition.

Prof.Dr.Jyoti H.Lahoti

Assistant professor, M.Com.,M.Phil.,M.A., Ph.D.,MBA, Smt.L.R.T.College of Commerce Akola.

ABSTRACT *The retail formats in India have evolved vastly over a relatively short period of seven to eight years. Another credible factor in the prospects of the retail sector in India is the increase in the young working population. These key factors have been the growth drivers of the organized retail sector in India. But the entry of global players in retailing business has created huge challenges to the Indian companies. Retailers today are focused on drawing customers into the stores to drive sales while at the same time reducing cost overheads. On the other hand, this poses huge challenges with respect to dealing with the short supply of qualified, future-ready talent, sustaining high performance and retaining key talent. Beyond the impact of globalization and mergers and acquisitions, retail organizations continue to struggle with the recruitment of service-oriented employees. Therefore, the key question for the retail organization in India is how they can sustain high performance whilst battling both economic challenges as well as talent shortages.*

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.

INTRODUCTION:

What is HRM?

HRM in short means Human Resource Management, and is the new avatar of Personnel and Administrative Department. HRM refers to the way people are managed in retail organization.

HRM has evolved too much because:

- The Retail Industry is a Service industry and people are its most critical resource.
- It has built a very competitive environment
- People management is very critical as it involves cost and revenue generation.
- In India, it is a growing industry.
- Provides employment to large numbers of people
- Skill set required varies as it involves both skilled and unskilled manpower HR deals with HRM and. covers all the technical areas.

1. Human Resource Planning during a set up of a new store
 - a. Hiring and retaining people
 - b. Transferring people
 - c. Procurement and logistics

Listed down are critical success factors for an HR professional in the retail industry. These included the following:

- Strong customer service orientation
- Effective communication skills
- Fast decision making capabilities
- Ability to collaborate and operate within a team, interpersonal skills
- Strong result orientation
- Meticulous planning
- Analytical and problem-solving abilities
- Flexibility and ability to deal with ambiguity
- Creativity and innovation

There is a rule in business that if you are not growing, you may be dying. But grow too rapidly and you may still find yourself on the fast track to the business graveyard. That will happen if you are not alert or constantly looking out for the speed bumps that will come your way when you are riding on a highway at top speed. Typically, the growth challenges relate to outgrowing the infrastructure, losing talented people, stretching the human capital resources too thin, attracting new competitors and flagging customer service.

OBJECTIVES:

The major objectives of this study are:

- 1) To study the human resource management practices pursued in the organized retailing.
- 2) To study the role and scope of HR in retail sector.
- 3) To study the various problems and challenges ahead for HR managers in the implementation of HRM practices in organized retail outlets.

RESEARCH METHODOLOGY:

This is an empirical study based on primary & secondary data. Primary data has been collected by observation and interview method. The secondary data has been collected from Books, Periodicals, News papers, Journals, Internet.

THE ROLE AND SCOPE OF HR:

From the following Diagram we can understand the role of HR in Retail Sector-



(Source-96-99-Human-Resource-Bank-Charania-Nov-13)

Till a few years back human resources in any retail organization in India used to treat employees within the organization as just one employee number and there used to be no emotional bonding. Here the role of human resource means nothing but administration work such as preparing salaries on month ends and recruiting staffs. Slowly this notion is dying out and most companies have started utilizing this department in a more productive manner. Now the administration part is either outsourced or a separate department is created for the same so that the human resources team can concentrate and develop their role in the corporate. They have now started understanding the importance of employees and started developing various methods to retain them.

The challenges that face the retail industry in India today as it whizzes along on the fast lane. Companies are being challenged to reorganize and adapt their employees to become more efficient. The key concerns for HR as hiring skilled talent, retaining critical talent and engaging and motivating employees. Also, retail is a thin margin business compared with other service industries where the rewards and dividends are far higher. So, the task of retaining key people becomes all the more difficult. The task of attracting the best people and keeping them happy is big enough to keep every HR head awake at night. The role of HR in addressing challenges in the retail sector, he needs to pre-empt and plan for the workforce skills that will be required in the future given the changing industry scenario. It also needs to develop the capability of in-house talent while also working with employees to chart out tangible career paths.

CHALLENGES OF HR:

As retailers in India weather the economic challenges and prepare for competition from new players, it is evident that sharpening their talent portfolio will be critical to succeed. The key task for HR is to help shape a highly skilled, engaged and productive workforce and to discover newer sources of effective talent. In an industry that is characterized by enormous flux, change seems to be the only constant. HR's challenging role, then, is to pre-empt industry trends, identify future business needs and create a pool of future-ready talent.

Evidently, the challenges are many and there is no one-size-fits all formula for success. A lot depends on how proactively firms pick up the warning signals. As globalization

and shifting consumerism continues to affect the retail environment, a number of critical HR pressure points directly support profitability, including:

- Recruiting employees
- Retaining the customer
- Retaining the employee
- Organizational reputation and branding

HR objectives when addressing these challenges.

High Turnover

Retail is notorious for having a high rate of employee turnover. This means employees routinely come and go, which poses several challenges. Training and developing are difficult, time consuming and constant if you constantly have to recruit and hire new people.

Diversity

A diverse workforce is typically regarded as a good thing. It helps a retailer better connect with its marketplace and usually leads to more and better ideas and results. However, From an HR challenge is to manage diversity to avoid major conflicts and promote a spirit of tolerance, teamwork and collaboration.

Misconceptions

To build a staff of competent, committed and motivated employees, retailers must overcome a number of common challenges and misconceptions about the work environment. Common concerns include long hours, no full-time jobs or benefits, low pay and no growth opportunities. overcome these challenges by going against the industry grain is the biggest challenge of the HR.

Seasonal Demand

Retailers often experience seasonal demand fluctuations. Retailers often try to add temporary staff during these times. They often wind up with fewer skilled and trained workers who might not have the tools to best serve customers. These workers can also alienate regular staff that must pick up the slack..

Building Capability

The store supervisor or manager is often young and inexperienced and has several young store executives reporting into him. HR holds the responsibility for building the capability of these young supervisors to lead and motivate their teams.

Increasing employee productivity

In an era of cost-cutting and wafer thin margins, HR has to focus on building manpower efficiencies and on ways to enhance employee productivity on an ongoing basis.

Employee engagement and communication

The retail organizational structure brings in unique challenges in terms of keeping employees in distant, diverse locations engaged and excited about organizational goals. this is done at multiple touch points by involving senior management across the organization.

RECOMANDATION:

The HR needs to come up with new initiatives for the welfare of the staffs. They should provide recreational facilities to them, at-least once in a month the HR needs to interact with every individual employee and address to their personal issues, and need to highlight the same to the management. The HR also needs to be involved with

the team, understand the effort they are putting in while working for extra hours, around fifteen to eighteen hours. The HR's job is a tough job as he has to cater to employees coming from different background, with different grievances or queries, need to be able to reply or solve them very positively without creating any imbalance, thus creating harmony. At times it becomes very difficult for an HR to handle such situations. Experience and everyday learning makes one perfect in this field. One needs to be personally very strong as an individual to handle this role otherwise tend to lose very early. HR's who have joined as executives and then get promoted as managers in the Corporate office after getting exposed to tremendous knowledge and experience in handling employees. They have then started training; mentoring and guiding the sales team on the shop floor.

CONCLUSIONS:

Retail organizations have significant business challenges ahead. In order to continue to survive and thrive, executives must align employee performance with customer satisfaction and loyalty as a part of a successful retail strategy. 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.

In retail organization Human Resources is the backbone of the business. Each employee has a big role in a small retail environment. Hence the HR team needs to really take care of them and take care of their daily requirements. HR needs to take care of their health, need to create vibrancy, develop eloquently motivational factors like incentives or perks to continuously motivate them and also impart knowledge to them and train them periodically so as they become more efficient in their work. If the employees are taken care of they will in turn automatically take care of the organization and thus build a fiduciary relationship.

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, it was found that the HR management practices in the retail outlets are still in the initial stages of development. 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 assets for the development

Therefore, the retail sector in India has been defined by experimentation, risk-taking, trial-and-error methods. Its manpower intensive nature and unique requirements have resulted in human resource considerations taking on paramount importance for the sustainable growth of the sector.

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