



## ORIGINAL RESEARCH PAPER

Management

## A STUDY ON HRM IN RETAIL SECTOR: RETAILER PERSPECTIVE

KEYWORDS:

K.Priya

Research Scholar, PG &amp; Research Department of Management Studies, Hindusthan College of Arts &amp; Science, Coimbatore - 28

## ABSTRACT

The success of any organization is largely depends on human resource of organization. Human resource management plays an important role to achieve organizational goal in short period of time. 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. 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 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. Buyers may be individuals 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.

## Introduction

Human Resource Management (HRM) is the organizational function that deals with issues relating to people such as compensation, hiring, performance, management, safety, benefits, employees motivation, communication, administration and training. HRM is a strategic and comprehensive approach of managing people at workplace. Its role in the company's success is growing rapidly with the growth in many sectors in the present globalized era. Innovative HRM practices can play a crucial role in changing the attitude of the employees. The HRM practices in the 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 resource is highly expected. So, the present paper focuses on the HRM practices in the organized retail industry in India and highlighted the current HR challenges faced by the industry.

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.

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## Objectives of the study

The following are the objectives of the study:

- To study the retailers' satisfaction towards the HRM in textile retail outlet.
- To study the problems faced by the retailers regarding the HRM in textile products.
- To offer suggestions on the basis of the results of the study.

## Methodology of the study

This study is confined to Coimbatore city. The study involves primary data which were collected from 50 retailers who are selling textile products in the city by using interview schedules. For the purpose of the study, convenience random sampling method has been adopted. Chi square test, Average rank analysis, Analysis of variance and percentage analysis are the test applied in the study.

## Human Resource Management in Retail outlet

## • Recruitment

Depending on the size of the number of vacancies or if it's a new store then campus recruitment is done or recruitment is done through recruiters and consultants. For shop floor sales requirement advertisement is put up in the local news papers.

## • Selection:

Selections are based on group discussions & interviews. Some retailers take an entrance test followed by group discussion and personal interview.

## • Performance Appraisal

It is one of the most controversial systems within human resource. No one in any organization is ever happy with the system because it explores the bitter truth of an employee. It is inherently conflict based because it is subjective and differs from person to person.

## • Training and development

Retail industry has finally taken shape in India, and is experiencing a rapid growth. Since organized retail is growing tremendously procuring trained human resource for retail is a big challenge. The talent base is limited and with the entry of big retailers in the market there is a huge demand of trained and skilled professionals in this sector. This has led many retailers to introduce Learning and Development department within the organization.

## • Compensation

Compensation is payment for services rendered to an organization by an employee. Compensation may be direct or indirect compensation & is a motivator for employees at all levels.

## • Rewards, Incentives and Recognition

Every retailer is looking at various ways to motivate their employees and reduce attrition rate. Introduction of rewards, incentives and recognition of employee is increasingly becoming popular within the industry. Retailers like PRIL have launched PERK Performance.

Enhancement Reward Kit and star performer of the month in their stores. They are used to reward performance at the individual,

team and organizational level.

**Employee Discipline**

It is a management tool to correct employee behavior

**HR Challenges in Retail outlet**

**Lack of skilled manpower**

The organized retailing is a massive man power Oriented industry that recruits a large pool of employees. However, there is a huge scarcity of skilled retail professionals. This can be attributed to the fact that retail has never been considered as a prominent profession in India as there were very few retail professional courses still few years back.

**Stress in Working Culture**

The working pattern of retail industry requires Employee to put in long hours of work which generally cause fatigue and result in lower motivation among employees. Besides this, in part-time and casual Jobs there is less job security, flexible shifts, unlimited working hours, lower salary and benefits & poor working conditions resulting into stress and working problems.

**Lack of Formal Education in Retail Management**

There is requirement of qualified and talented manpower to look after day to day operations and cater to the wide spectrum of customer desires. As there is lack of formal vocational institutes where students can be trained, most of retailers in India depend on in-house training or fulfilling their training needs with small institutes.

**Workforce Attrition**

There seems to be high level of attrition in the retail sector which is almost 40% according to a recent study.

**Threat of Poaching**

Employee poaching is also very high both in organized as well as unorganized retail industry. Skilled manpower is scarce in this industry and as such attracting the employees of competitors by offering them better salaries is a rather easy option

**Results of the study**

- Majority (70.4%) of the respondents selected for the study have stated that the influence of human resources in the purchase of textiles products is high.
- Except gender, age, family size, education, occupation and number of earning members in the family all the other personal factors have significant influence on the human resource level of influence on the purchase of textile products.
- Majority (66.4%) of the respondents selected for the study have negatively stated that they have not faced any problems with the human resources during the purchase.
- Majority (51%) of the respondents selected for the study state that they have not complained about the problems faced by the customers.
- The respondents irrespective of their personal classifications have given top priority to the knowledge about the product which is considered as the respondent's opinion on the training to be given by the HR management.
- Majority (86%) of the respondents have stated that they collect feedbacks about the employees from the customers.
- There exists significant difference in the personal classifications of respondents in respect of number of earning members in the family and the family monthly income of the respondents on the various statements relating to human resources.

**Suggestions**

- Indian retailers need creative HR practices to manage a huge workforce in a competitive environment enhance the

competency and retention of their employees.

- There are too many companies chasing too little talent. The retailers should maintain their goodwill in the overall employment market by communicating its attributes in a way that distinguishes the company from the competitors.
- Find the right talent that is willing to commit over the long-term.
- Attractive compensation package 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. Hence, retailers must examine different strategies which they can use to reduce turnover and boost the morale of their employees.

**Conclusion**

The Human Resource Management practices are vital for the growth and development of and business or sector. These practices have significantly evolved in the retailing sector also. The retailers especially organized retailers are nowadays placing a greater emphasis on the HRM practices which includes recruitment, selection, performance appraisal, training and development, compensation, career planning, etc. Apart from this the sector is facing some problems relating to its human resource like lack of skill, lack of formal education in retailing, workforce attrition, threat of poaching and complicated human resource environment. It means that the HRM practices in the organized retail industry needs greater attention in the near future to make it more competitive.

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**WEBSITE:**

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