

## The Study of Challenges and Possibilities Pertaining to HR in Indian Retail Companies

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**Article Info: Received: 06-10-2023 / Revised: 17-11-2023 / Accepted: 20-12-2023**

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**Conflict of interest statement: No conflict of interest**

### Abstract

It aims to offer a perspective on human resource management (HRM) in contemporary Indian retail enterprises and was one of the pioneers in this sparsely explored field. The primary goal of the study was to investigate the issues and opportunities related to human resources that contemporary Indian retail organizations face. The study focused on multi-brand retail companies in Delhi and the National Capital Region. To meet the study's predetermined goals, a total of two questionnaires were created.

**KEYWORDS:** - goals, HR Opportunities, Challenges, departments, retail, companies

### INTRODUCTION

With a retail market worth INR 16 trillion, India ranks fifth in the world. Growing numbers of multinational retail behemoths are eyeing emerging regions as their home markets becoming saturated and globalization picks up speed. Currently, one of the most lucrative markets in which to conduct business is India. With a 20% GDP contribution, the retail industry is one of the fastest-growing in the nation's economy. The Indian subcontinent, home to 1.2 billion people, is becoming increasingly appealing on the global map due to factors like growing disposable incomes, shifting consumption habits, growing consumer product awareness, and accelerating urbanization. The foundation of retail in India is made up of tiny, traditional stores that are conveniently situated in nearby neighborhoods or traditional markets. These stores, which offer both dry and wet goods, have made shopping easier for Indian consumers, even the wealthiest ones. The percentage of organized retail is 5-8%, the lowest when compared to its counterparts in the BRIC nations of Brazil

(38%), Russia (33%), and China (20%). However, organized retail has been expanding at a remarkable 35% compound annual growth rate (CAGR). In India, the future appears to be quite promising for the growth of contemporary retail models. While it has some opportunities, it also presents a unique set of difficulties.

Modern retailing has arrived in India, and as a result, different departments inside retail businesses—like supply chain management, marketing, sales, and human resources—need specialized expertise to guarantee performance on par. These days, it's hard to come by such abilities. The use of human resources in the retail sector, which is a service industry, is what drives it most. With increased rivalry among firms, the quality of work produced by employees becomes the major difference. Shop floor workers in particular engage with consumers and represent the company to them. Modern retail businesses must make significant investments in the development of these human resources if they are to thrive in such a dynamic environment. The future will require the

application of systematic HRM policies that include careful hiring and selection processes, well-thought-out support systems, excellent training, empowerment, teamwork, proper measurement, rewards and recognition, etc.

According to Cravens and Oliver (2006), employees of a company possess the capacity to grow into a significant source of competitive advantage and to significantly improve organizational performance through their work if the HRM system of the company can manage to create good synergy. The HR department in retail, which began as an operational department before progressively becoming into a strategic business partner, is being significantly impacted by the rapidly changing trends in the industry. It is anticipated that HR departments would improve business profitability. The HR department is becoming a vital industrial stakeholder by gradually rising up the value chain. In terms of HR opportunities, this study will highlight the kinds of abilities, know-how, and characteristics that employers are looking for in applicants hoping to work in this new "sunshine" sector. From the viewpoint of the workers, the study focuses on assessing the human resources opportunities that allow them to experience a productive workplace that meets their needs in the majority of areas.

### **LITERATURE AND REVIEW**

Kiran, 2012 Any business's primary goal is to increase sales from its intended market. Because the advertising industry has changed, you can use it to your advantage and increase brand awareness. Therefore, you can use such developments to alter the cost of your promotions to the store. As a result, advancements like modernization have made it possible to make large profits.

Kulkarni (2012) makes recommendations about the relationship between customer satisfaction and retail operations. Consumers today have hectic schedules and busy lives, which affects when and how often they visit retail establishments. The management of the retail establishment must take care to prevent delays. For example, there aren't many working billing counters, and nobody like waiting. As they wait longer, they will become more agitated and believe that there are usually long lines at the checkout desks. Therefore, improved customer

service, eye-catching displays, and shorter lines at improved shopping experience, including the billing counter that encourages repeat business.

Kulkarni, Vijay R. (2013) - The aim of this study is to ascertain how much store employees affect customers' shopping experiences and purchasing decisions, especially in the Indian organised retail market. The store is a retail organization's front, in the author's opinion. This is the face-to-face, one-on-one interaction between customers and retail employees. Customers' experiences might range from good to bad depending on the level of service they receive from the business employees. Therefore, it's critical that store managers help their staff members adopt the proper attitudes and behaviours.

Almas Sultana (2014) A company's human resources are its most valuable asset. Achieving corporate goals is greatly aided by human resource management, or HRM. When it comes to the Indian economy, the retail sector is very crucial. The introduction of organized retail organizations has caused significant changes in the retailing industry. Organized retail in India is changing rapidly and will likely grow to rival its global counterparts. The necessity for efficient HRM procedures has been growing at a fast pace in today's environment of intense competition. Organized retailers in India are beginning to see the requirement of efficient workforces and are fortifying their businesses via HRM initiatives in order to compete in the global market. They are now mostly focused on the HRM practices. This report makes an effort to examine the human resource management strategies used by India's organized retail industry. The report also provides insight into the sector's Human Resource (HR) issues and offers suggestions on how to enhance the work culture in the Indian context.

Atul Kumar et al (2023) Read on as we take a look at HRM in India's retail industry and the problems and solutions it's facing. The main point is that the emphasis is on how retail companies are adjusting their HR strategies to accommodate broader recruiting trends and skill sets. Future implications for recruiting managers are also discussed in the paper. Indian retailers confront a number of issues, such as filling open positions with experienced individuals, coping with labor shortages caused

by employees' retirement or illness, recruiting skilled workers who have been laid off by automation, keeping current employees from leaving for greener pastures, and preventing the premature retirement of older workers. Some contend that in order for retail to thrive and survive, the industry must acknowledge that one of HR's primary functions is to be ready for future developments.

**RESEARCH METHODOLOGIES**

Convenience sampling and purposeful sampling are the sample methods used in this

investigation. The researcher used both primary and secondary sources of data to support this work. It was determined to thoroughly examine the following variables: talent acquisition, pay, training and development, career development, and talent retention practises in Indian retail organisations, based on a survey of the literature and subsequent expert conversations.

Table 1. Provides a summary of the sample approach used in this study.

**Table 1: Table illustrating the procedure for sampling**

Subject	Type of Sampling	Sampling Unit	Sample Size
HR Personnel, at middle and senior mgmt. level	Mostly purposive	Big, multi-brand retail companies that are organized	58
Employees of retail stores, excluding HR Personnel, at the entry-level and junior management level	Mostly convenience	Big, well-organized, multi-brand retailers	192

Collecting data is a crucial step in any well-executed research project. It is the methodical process of collecting and analysing data on variables of interest. Research integrity must be upheld via proper data gathering regardless of the study's design—it might be quantitative or qualitative.

**Table 2: Tools and Techniques Used for Data Analysis**

Questionnaire	Analysis tools deployed
HR Opportunities	Descriptive Statistics- Frequency, mean, standard deviation, percentage, variance, maximum, minimum, median
HR Challenges	Descriptive Statistics- Frequency, mean, standard deviation, percentage, variance, maximum, minimum, median

The analysis of major multi-brand retail companies in India is embodied in this research. At least one or more of the retail locations for the 10 companies under consideration are situated in Delhi/NCR.

The examination of HR opportunities in Indian retail enterprises has been explored in this part. We are attempting to comprehend the range of employment options and advantages available to retail shop employees with the use of this questionnaire.

**Data Analysis and Interpretation**

**1. Opportunities for HR**

**Table 3: Showing the anticipated skill levels needed for occupations on the retail shop floor**

Qualities	Minimum	Maximum	Mean	Standard Deviation
Customer Relations	2	4	4.28	0.67
Capacity to perform well under duress	1	4	4.20	0.69
Positive outlook	1	4	4.10	0.71
Team work	1	4	3.68	0.75
Communication skills	1	4	3.58	0.76
Communication skills	1	3	2.80	0.78

Product and service knowledge	1	4	2.52	0.79
expertise in the retail domain	1	3	2.32	0.76
Mathematical skills	1	3	2.22	0.80
Academic record	1	3	1.84	0.90

The maximum and minimum possibilities that respondents chose for each skill/quality are shown in the columns labelled "maximum" and "minimum."

## 2. HR Challenges

Based on the replies obtained, the analytical results about the HR issues that retail

companies' HR departments deal with are presented in this section. HR staff members from multiple-brand retail companies with locations in Delhi and the National Capital Region. The findings are then presented, along with an explanation of each.

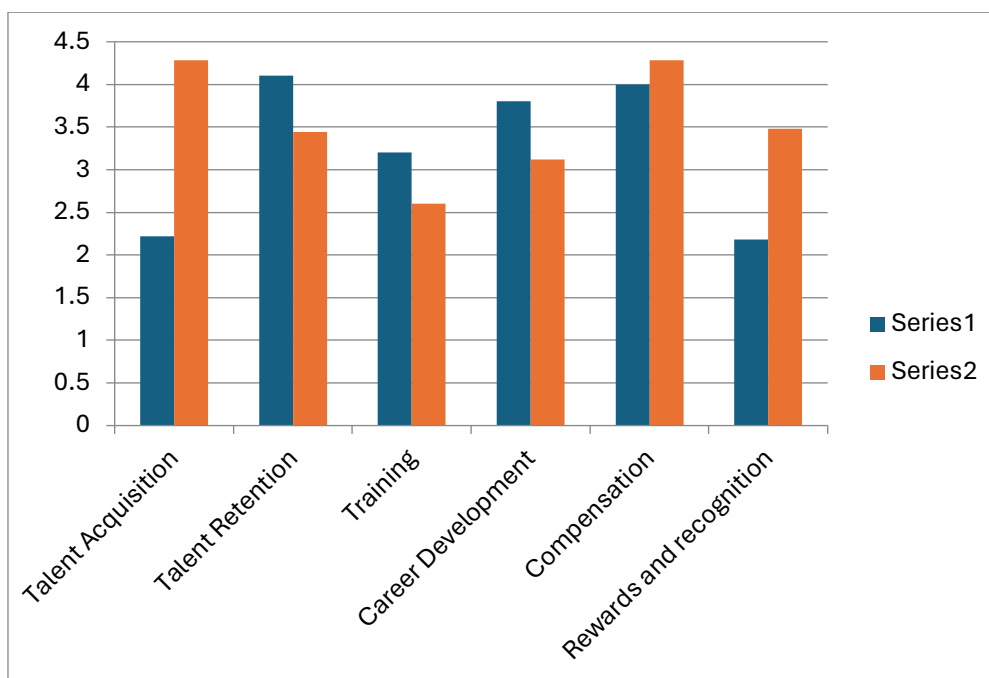


Figure 1: shows the output of a comparative analysis of HR challenges in India's multi-brand retail before and after 100% FDI is permitted.

Table 4: Factors contributing to the problem of talent acquisition

Qualities	Minimum	Maximum	Mode	Mean	Standard Deviation
Lack of competent talent in the community	2	4	4.08	4	0.84
Retail jobs are thought to be less appealing.	1	3	3.99	4.02	0.75
Insufficient talent availability in terms of quantity	1	3	2.64	3	0.80
The insufficient knowledge of job options among prospective individuals	1	3	3.30	3	0.90
Insufficient channels, such as retail education establishments, to attract	1	3	2.60	3	0.92

Based on the level of difficulty each talent acquisition element presented, respondents were asked to rank them.

The lack of talent has the lowest mean score and a relatively low standard deviation, indicating that there are enough of individuals available to work but not enough skilled workers to meet the demands of contemporary organised retail.

**Table 5. shows the causes of the difficulties with the training component in retail companies.**

Qualities	Minimum	Maximum	Mode	Mean	Standard Deviation
Encouraging staff to put the lessons they've learned from trainings into practice because they think working in retail is a temporary position	2	4	4.28	4	0.78
Testing the efficacy of training	1	3	4	4.02	0.73
Workers lack the self-control and training-oriented mindset.	1	3	3.38	3	0.86
delivering training that is effective	1	3	2.68	3	0.89
Too much work prevents employees from having enough time for training.	1	3	2.62	3	0.63
insufficient funding for training	1	4	2.40	3	0.92

HR managers and senior management of retail companies need to come up with creative ways to enhance the entire work environment and boost employee happiness in order to reduce attrition. Employees should view a job in retail as a long-term decision rather than a short-term one. Employee-friendly policies are essential for businesses to maintain their competitiveness and expand.

**Table 6: Presents the outcomes of the problems the HR department faced in terms of rewards and recognition.**

Qualities	Minimum	Maximum	Mode	Mean	Standard Deviation
encouraging store level managers to use recognition and non-cash incentives	2	5	3	3.04	0.73
creating creative incentive and recognition schemes	2	5	3	2.78	0.94
Linking Performance Management System to rewards	1	3	3	2.55	0.84
Continually praising exceptional workers	1	4	2	2.18	0.82

The challenges linked to incentives and recognition that respondents faced in their retail firms were asked to be rated. Encouraging store level managers to use non-cash rewards and recognition (3.04), creating creative programmes for rewards and recognition (2.78), connecting the performance management system to rewards (2.55), regularly rewarding exceptional employees (2.18), and making sure there is little to no delay in providing rewards and recognition to employees are the mean scores of the responses. It is evident that there is little variation in the mean scores of the

answers. Organisations are aware that employee motivation can be increased and that this can have an impact on future performance through performance-related rewards and recognition programmes.

The goal of doing this is to strike a balance between the needs of the organisation and the needs of the person. Businesses who have previously implemented these should keep doing so; those that have not need to introduce creative rewards schemes in order to increase employee satisfaction and eventually reduce turnover.

**Table 7: Shows the results of the issues HR staff at retail companies experience in relation to career development.**

Qualities	Minimum	Maximum	Mode	Mean	Standard Deviation
Employing career development as a means of retention	2	5	4	4.20	0.83
Persuading upper management to prioritise employees' career development	2	5	4	3.80	0.90
Creating Courses for Professional Advancements	1	3	4	3.60	0.90

Respondents were asked to rank the problems connected to career growth stated according to how difficult they found their retail jobs. The range of the standard deviation values is comparable to one another. Retail is known for having few opportunities for professional advancement for workers in floor positions, which makes the industry an undesirable place to work. Employers must understand that workers want a long-term career that will contribute to their overall development and fulfilment as well as assist them obtain valuable experience. Effective employee-focused HR initiatives that prioritise career development would significantly improve the retail industry's reputation and draw in brilliant individuals. In retail organisations, HR managers ought to be able to employ career development as a buffer against turnover and attrition.

## CONCLUSION

The study reveals that the HR department's primary challenges concerning employees in the retail industry are talent retention, remuneration, and career development. The organisational work culture comes next. Modern retail companies' HR managers need to give these priority areas particular attention right once and create rules that will help them get better in the future. This will support businesses in their efforts to develop and thrive in this rapidly evolving retail environment and produce devoted, high-performing workers who will ultimately prove to be assets for their individual companies. Retail companies are searching for well-groomed individuals that are enthusiastic about working in a corporate environment and pushed by hard effort. A senior secondary school degree or a bachelor's

degree is typically chosen by HR staff members; a diploma or short-term retail course is an add-on.

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