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## **Current Human Resource Management Practices in Organized Retail Outlets**

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**Abstract:**

*Human resource practices are key concern among organized retailers. The ultimate performance of retail outlets depends on the HRM practices. In India Retail Sector is growing with new FDI Policy. It accounts for over 10 percent of the country's gross domestic product (GDP) and around 8 percent of the employment. The entry of global companies has created big challenges for Indian companies. The present research study will show the HRM practices in use for the employees working in retail industry of Lucknow. It will also focus on various problems faced by HR department in recruitment and retention of the employees in organized retail chain.*

**Keywords:** FDI, GDP, Retention, HRM

### **1. Introduction**

Human resource Management (HRM) practices includes manpower planning, training and development, compensation management, performance management, change management, career and succession planning, quality of work life, Knowledge management and labor management etc. HRM is an inseparable part of the management process. The HRM functions are performed by all organizations at all levels. In recent years' firms focus on human resources for the competitive advantage. The HRM practices have significant importance in retail management. HRM can play an important role in retail sector as with the changing attitudes of employers and their employees. The organized retail outlets have great demand for the qualitative human resources so designing the HRM practices are crucial.

#### *1.1. Overview of Lucknow's Retail Industry*

By the Year 2018, the Indian retail sector is likely to grow at a CAGR of 13% to reach 950 billion US dollar. After the year 2000, the number of organized retail chains is increasing in the city. Almost 200 outlets of various Multinationals like Wal-Mart, Spencer, KFC, Dominos, Mac Donald, Big Bazaar, Vishal Mart, Reliance Group, Café Coffee Day, and Aryan etc. are growing in terms of more branches as well in sizes. So need for sophisticated HRM practices are in demand. Lucknow's retail industry is one of the major places for youth employment.

### **2. Literature Review**

Being a labour intensive industry, the people's management is the single biggest task for HR persons in Retail Sector. The Deloitte changing times, changing roles report (2013) sumps up the key concerns for HR as hiring skilled talent, retaining critical talent and engaging and motivating employees. According to Mckinsey report, with the rise of Indian Consumer Market, retail industry in India is estimated to grow four times by 2025. The above study suggests that retail industry has a challenging task of managing its HR practices.

Hendry and Pettigrew (1992) propose that a number of internal factors such as the organizational culture, structure (positioning of HR), leadership, level of technology employed and business output directly contribute to forming the contents of HRM. So Study of HRM practices in organized retail industry is very important.

#### *2.1. Research Objectives*

The main objective of this study is to identify the Current HRM practices in Lucknow's Retail Industry. This study focuses on whether the statutory compliances are followed by Retail outlets in Lucknow. Further the study aimed at challenges ahead for retail HR managers.

#### *2.2. Research Methodology*

The research was descriptive in nature. The primary data was collected through questionnaire method. Secondary data source were websites, online research journal & Magazines. The sample size is 40 which include daily wages earners, employees and Managers from Bigbazar and Spencer outlets situated at Indiranagar, Lucknow. See below table showing the sample distribution.

Sr.No	Name of the organized retail outlets	Company	Places	District	Sample size
1	Big Bazaar	Future value retail Ltd.	Bhoothnath market, Faizabad road	Lucknow	20
2	Spencer	Spencer's retail ltd.	Lekhraj dollar, faizabad road	Lucknow	20
	<b>Total</b>				<b>40</b>

Table 1

### 3. Data Analysis & Interpretations

The observed HRM practices on the basis of positive response in questionnaire are:

	Current HRM practices	Name of the Organized Retail Outlets	
		Spencer	Big Bazaar
1.	The main source of recruitment is employee referral.	60%	50%
2.	Any Selection Test Further (only personal interview)	65%	75%
3.	The probation period is mostly 6 months.	80%	90%
4.	Employees are getting offer, appointment & promotional letter on time to time mostly say yes.	80%	70%
5.	Employees are getting salary and incentives on time.	90%	80%
6.	Bonus is given by retailers	70%	60%
7.	Employees are getting EL, CL & Medical leave etc.	70%	60%
8.	No weekly off in Retail outlets	80%	85%
9.	Leave provisions in case of national holidays (No Holiday)	90%	85%
10.	PF is deducted from basic salary.	80%	75%
11.	ESI is applicable to Employees.	60%	55%
12.	Sufficient arrangement of training	65%	75%
13.	The Cafeteria Approach is implemented by retailers	80%	70%
14.	Dress Code for employees	95%	90%
15.	Performance Appraisal is done on annual basis	80%	75%
16.	The Arrangement of employee motivation like birthday gift etc.	75%	70%
17.	The annual increment in pay is almost 10%	80%	75%
18.	Employees are getting right career path in retail company	85%	70%

Table 2

On the basis of the observation above in the table, we can say that the major source of recruitment in organized retail outlets is employee referral or in-house recruitment. Selection test is mainly PI. Retail industry is concerned about payment of wages on time. Also statutory labor compliances like ESI, Bonus, and leave encashment are providing to employees. The Training & Development is also the part of Retail HR function. Performance management is also the core practice in Retail Industry. HRD practices are also utilized in terms of cafeteria, dress code and employees' satisfaction.

### 4. Findings & Recommendations

While talking to HR managers & employee's responses in questionnaire, I observed that in Lucknow's retail industry, the Current HRM practices are satisfactory. The data collected shows that most of standardized HRM practices are used in the Retail Outlets. In Spencer, employees said that the HRM practices are very much focused for Employees growth and promotion. The Spencer conducts written test time to time for giving promotion to its employees. The OJT approach for new hire is important HR criterion for Bigbazar. Also Bigbazar is successfully deployed the encouraging HRM practices in its Retail outlets. The Assistant Manager (HR) at Spencer told me that the shop and establishment Act, 1954 covers the outlet operation. Also all major labour enactments are applicable to retail employees.

By this study I came to realized that, the work load is heavy in retail outlets and stress is having significant impact on employee's performance. So devising a flexible work environment can reduce the high rate of labour turnover. The Future scope of further study is to determine the impact of retail HRM practices in Retail Sector Growth rate. The Government should also bring the upgraded labour legislations concerning retail sector major challenges.

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## ANNEXURE

## QUESTIONNAIRE FOR THE RESEARCH PURPOSE

Dear Respondent, Please express how far these practices are in use at your retail Outlets. Please put your response by Tick or other appropriate method.

Name of the Respondent:

Designation:

Mobile No:

Name of organization:

Age &amp; Gender:

Email ID:

1. What is the source of your Recruitment?

a) Referral b) Recruitment Agency c) Advertisement d) Walk-in e) Online Portal of the company 2. Is it any selection test further? a) Only Personal interview (PI) b) Written test and PI c) GD & PI d) Job Suitability Test 

3. What is the probation period if on company's payroll?

a) 6 months  b) 12 months  c) more than one year  d) no any probation 

4. Do your company provide you an offer, appointment, promotion, confirmation and experience letter if any applicable?

a) Yes  b) No  c) Can't say anything 

5. Are you getting your salary and incentives on time?

a) Yes  b) No  c) Can't say anything 

6. Are you getting Bonus?

a) Yes  b) No  c) Can't say thing 

7. Are you getting your salary -Slip?

A) Yes  b) No  c) On demand  d) None 

8. Are You Getting Provident Fund (PF) deducted from your basic salary?

a) Yes  b) No  c) Can't say anything 

9. Is ESI provision applicable and insured to you?

a) Yes  b)  c) can't say anything 

10. Are you getting Earned Leave, Casual leave, medical leave etc?

a) Casual leave only  b) Earned leave c) Medical leave  d) can't say anything 

11. Are you getting weekly off?

a) On Sunday  b) flexible  c) No weekly off 

12. What is leave provision incase of national holiday?

a) No holidays  b) Compensatory leave c) Double rate of wage  d) nothing 

13. Are you getting sufficient training or On the Job Training?

a) Yes  b) no  c) Can't Say

14. Whether your company provides you cafeteria or canteen?

a) Yes  b) no  c) can't say

15. Are you getting your birthday gift/Anniversary Party from your company?

a) Yes  b) No  c) Can't say

16. Whether any dress code in your company?

a) Yes  b) No  c) can't say

17. Is there any performance appraisal?

a) Yes  b) No  c) can't say

18. Who is the appraiser?

a) Internal person  b) External person  c) Can't say

19. What is the percentage annual increment?

a) Upto 10 %  b) upto 20 %  c) more than 20%  d) No increment

20. Are you getting the right career progress path in your retail company?

a) Yes  b) No growth path  c) Can't say