THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

An Insight into Effectiveness of High Performance Work System with Special Reference to Retail Sector

Dr. Shikha Mishra
Faculty, Amity Business School, Amity University, Uttar Pradesh, India
Dr. Puja Sareen
Faculty, Amity Business School, Amity University, Uttar Pradesh, India

Abstract:
Organizations today are facing increased competition more than ever before due to globalization, rapid technological advancements and demands for a higher quality and customer service. To meet these challenges and achieve a sustained competitive advantage, organizations must combine human resource practices into an overall High Performance Work Systems (HPWS) that enhances employee involvement and performance. Organizations that use HPWSs are associated with higher labor productivity and improved overall company performance. In order to be effective, work systems should achieve horizontal fit among various HR practices and achieve vertical fit between the HR practices and the organization's business strategy.

The first-line managers primarily play an important role in contributing to an effective HPWS. A growing body of research defines this group of managers as those who have direct supervisory responsibility for non-managerial employees, and are placed at the first-line level of the management hierarchy. They are a valuable asset for organizations as they spend more time than any other management level on leading and directing the subordinates in their day to day operations. Training first-line managers has become a task so mandatory that modern organizations should pay more attention to it today.

The majority of both current and past HPWS research findings available generally neglect the service sector as a stand-alone entity, so additional research is recommended to examine the effects and benefits of HPWSs in the new service economy, particularly in the Retail Sector.

Keywords: HPWS, high performance work system, retail sector, first line managers, front line managers, HR practices, work flow, training, compensation, leadership, communication and technologies, employee involvement, sustainable competitive advantage.

1. Introduction

Modern organizations are facing increased competition more than ever before due to fast-paced change, innovation and demands for a higher quality and customer service. To meet these challenges and achieve a sustained competitive advantage, organizations must combine human resource practices into an overall High Performance Work Systems (HPWS) that enhances employee involvement and performance.

HPWSs focus on systemization of the interrelated parts of an organization that complement one another to accomplish the goals of the organization by maximizing the competencies, commitment, flexibility, and adaptability of employees (Bohlander & Snell, 2010). The strategically-focused approach is consistent with the argument that to be effective, work systems should achieve horizontal fit among various HR

practices, such that these practices complement and are aligned with each other and achieve vertical fit, such that the work systems are aligned with the organization's strategy" (p. 372).

In addition to business strategy, the principles or values that provide the underlying support for HPWS include egalitarianism and engagement, shared information, knowledge development, and performance-reward alignment (Bolander & Snell, 2010). These four principles are the building blocks for successful implementation of HPWSs.

In spite of the growing body of research on high performance work systems (HPWS), there is also little evidence on their application in the service sector. Hence, additional research is recommended to examine the effects and benefits of HPWSs in the new service economy, particularly in the Retail Sector.

The first-line managers primarily play an important role in contributing to an effective HPWS. A growing body of research defines this group of managers as those who have direct supervisory responsibility, normally for non-managerial employees, and are often placed at the first line level (Hutchinson and Purcell, 2003). They tend to be responsible for the day to day running of their work area rather than strategic

matters. First-line managers are a valuable asset for organizations as they spend more time than any other level of management on leading and directing the subordinates in their day to day operations. Training first-line managers has become a task so mandatory that modern organizations should pay more attention to it today.

A High Performance Work System (HPWS) is defined as a systemic approach to organizational design seeking to align the organization with its environment as well as align the organizational structure, systems, and processes using team structures to achieve operational effectiveness, innovation and high quality results for customers.
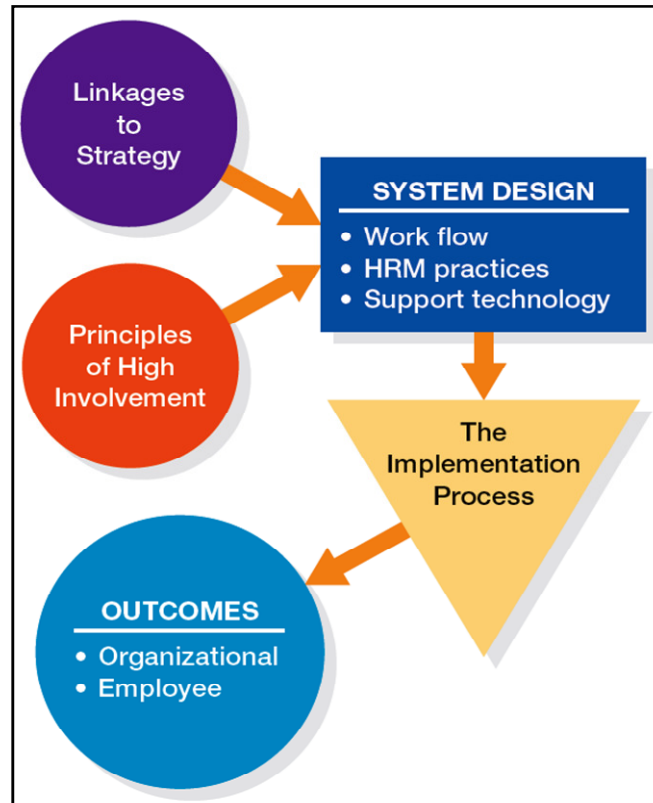

Figure 1: Developing High-Performance Work Systems

2. Review of Literature

2.1. Underlying Principles of HPWS
- Egalitarianism: Involving employees in decision-making and giving them the power to act, coupled with organizational support increases employee engagement. Employee engagement refers to how committed the employees are to their organization and how much extra effort they are willing to put forth on their job. Employee engagement is one of the top priorities for HR leaders in 2014 in order to attract, retain and motivate top talent as the economy moves forward (Frauenheim, 2009).
- Shared Information: To bolster engagement is to increase communication by sharing timely information about business performance, plans, and strategies. This fundamental shift to increase communication represents movement from the command and control philosophy to building relationships between the employer and employees. Consulting firm Towers Perrin found in the second quarter of 2009 improved communication resulted in 83 percent of employees having a clear understanding of their company's goals, an increase from 69 percent in the first quarter (Frauenheim, 2009).
- Knowledge Development The organisation can achieve sustainable competitive advantage through employees via VRIO framework (Value, Rareness, Inimitability and Organisation). Some practices such as extensive training reflect the organization's commitment to invest in its employees
- Performance-Reward Linkage: A performance-reward linkage increases employee effort and aligns the employees with the long-term interests of the organization resulting in better communication, increased product or service quality, longer job tenure and greater acceptance of technological change (Kling, 1995).
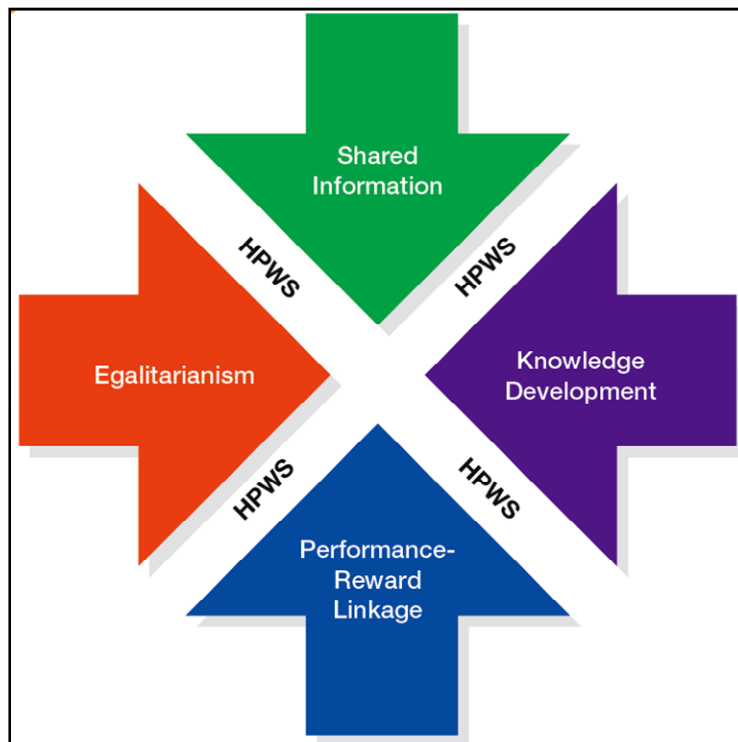
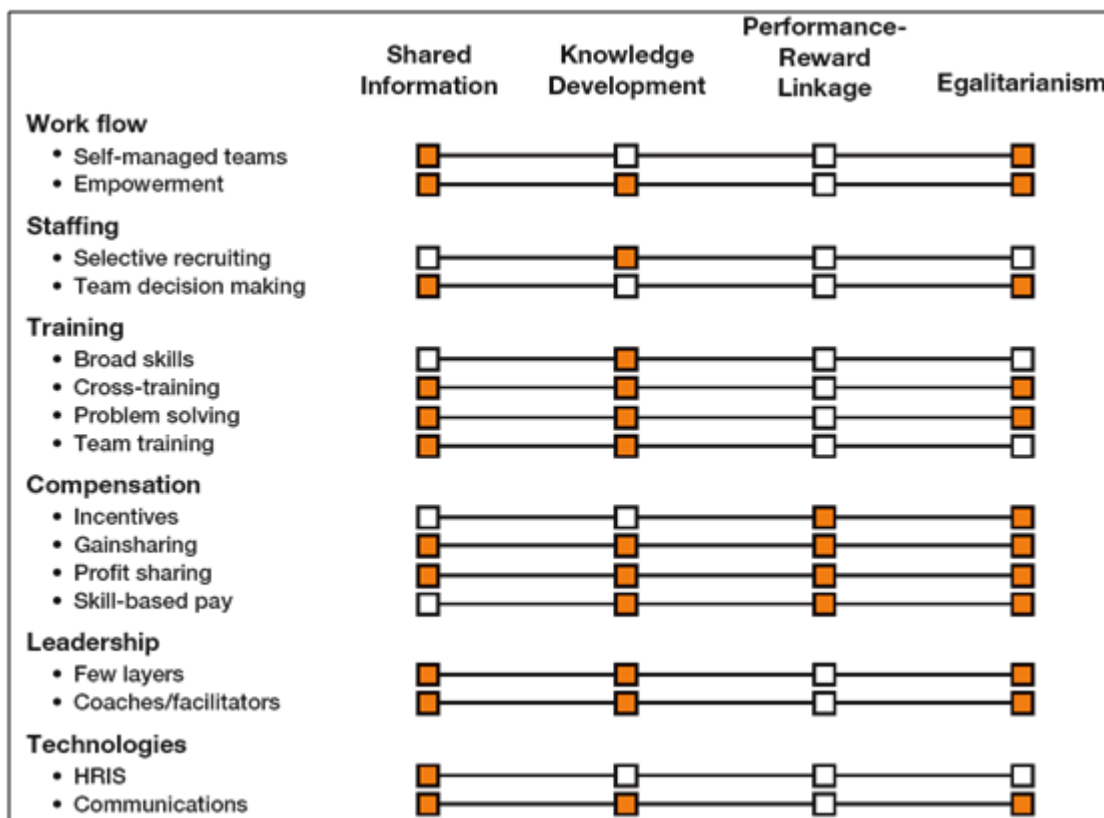*Figure 2: Underlying Principles of High-Performance Work Systems*

Figure 3: Factors of High-Performance Work Systems

2.2. Assessing Strategic Alignment
  ➢ The HR Scorecard
     → Assessing Internal fit
     → Assessing HR Practices
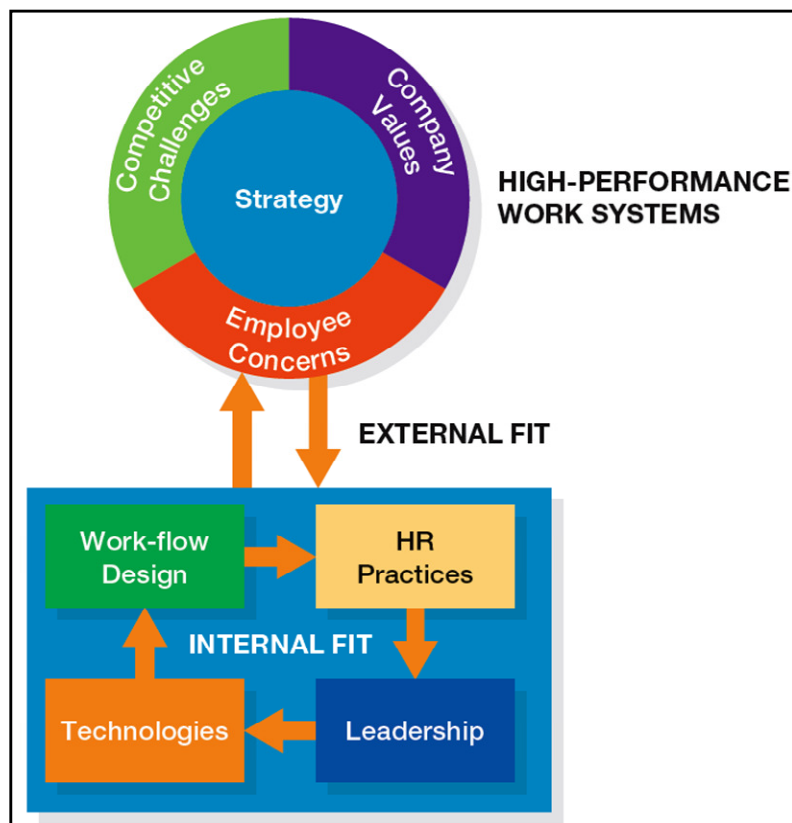   → Assessing External Fit

Figure 4: Achieving Strategic Fit

HPWS is composed of HR practices like staffing, training, employee involvement and participation, performance appraisals, compensation, rewards, work-life balance and other caring practices that simultaneously attend to the employee-organization relationship (Fulmer, Gerhart, & Scott, 2003; Harter, Schmidt, & Hayes, 2002; Tsui, Pearce, Porter, & Tripoli, 1997) and the customer-organization relationship (e.g., Schneider & Bowen, 1985).

➢ HPWS serves to enhance the strategic business units (SBU) market performance in the service context by facilitating two types of strategically targeted organizational climate: concern for customers and concern for employees (Burke et al., 1992), which, in turn, encourages the employees to engage in cooperative behaviour with customers (service performance) and co-workers (helping behaviour). Employees' collective & cooperative behaviours further contribute to the organization's market performance.

A major reason for the inconsistent implementation of employee involvement across organizations appears to be the lack of an internally consistent mental model of an involvement-oriented workplace across the organization. Adoption of HPWS practices by a substantial segment of an organization has the potential to send a strong message regarding what behavior is expected and rewarded, and is thought to facilitate shared mental models, group sense-making and coordinated action (Bowen & Ostroff, 2004; Evans & Davis, 2005).

➢ Bowen & Ostroff (2004) emphasized the benefits of a common interpretation of the meaning behind practices and laid out some characteristics of human resource management systems that can be expected to increase the intended effects of HPWS practices. They also work harder because of contingent compensation that rewards these efforts and because of "peer pressure activated in self-managing teams". Because of HPWS' emphasis on developing workers' skills and competence, these workers' efforts are also better directed, i.e., smarter. They also work smarter "because of the training and job rotation practices that enhance the opportunity to learn" According to Huselid (Huselid 1995: 638), because of HPWS, organizational structures such as cross-functional teams, job rotation and quality circles, the workers' cooperative efforts are increased. For these and other reasons, HPWS workers' efforts are expected to be higher and more effective than for those working in a control-oriented organization. There is likely to be less labor turnover also.

➢ Within the strategic HRM literature, employees' KSA's (also referred to as "human capital") have been widely mentioned as one of the most important mechanisms linking HPWS to the firm's performance (e.g., Huselid, 1995; Wright et al., 1994). Basically, the logic is that HPWS practices such as selective hiring, extensive training, performance appraisal and feedback may develop employee knowledge and skills and thereby, the collective human capital of the firm, which in turn, is expected to positively influence firm performance (Lepak, Liao, Chung & Harden, 2006; Ostroff & Bowen, 2000).

➢ For HR to become a successful strategic partner and to effectively implement the principles of a HPWS, HR managers must premise that role and the development of the HR system based on its contribution to effective strategy implementation. This new outlook is the most fundamental of the necessary changes in HR capabilities (Becker et al., 1997).

The Balanced Scorecard approach developed by Kaplan and Norton (1996) is a new approach to managing strategy implementation that highlights this very process. It is a useful organizing framework for developing a HPWS because it provides a systematic method to describe and measure effective strategy implementation. It also is premised on an appreciation for the central role of intellectual assets and by implication, the HR system, in building sustainable competitive advantage.

Organisations could invest in line managers' abilities to perform these HPWS implementation tasks in such a way that the intended signals are conveyed to employees (Knies and Leisink, 2014). Line managers are then likely to be more successful in providing appropriate information in a clear and consistent manner, which will positively influence the attribution making process of employees.

➢ Workforce alignment, in turn, should be positively related to firm performance. In Resource-Based View, workforce alignment is a valuable resource because it represents an asset or strength that the firm can use to successfully pursue opportunities or mitigate threats in its particular strategic context (Barney, 1991, 2001).
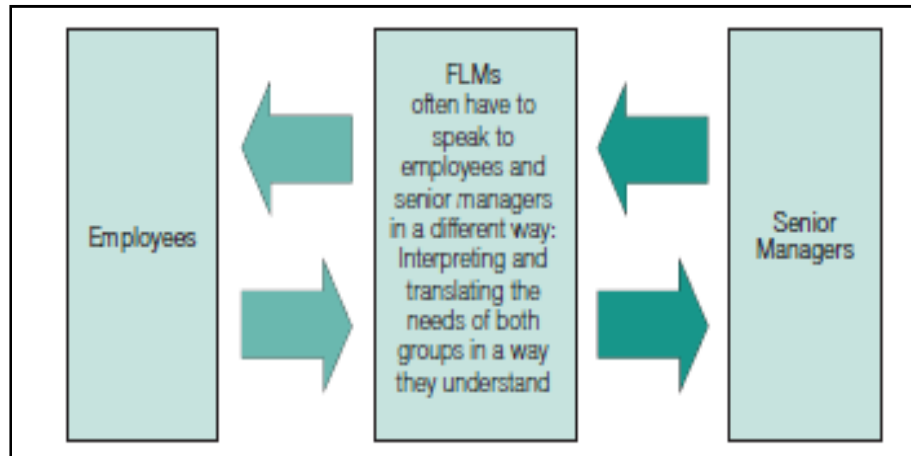

Figure 5

The action-centred leadership model is the idea that, as a leader, you have to fulfil all three sets of needs:
- ➢ The need to get the task finished
- ➢ The needs a team has if it is to work properly
- ➢ The needs of individuals for support and direction.

There is increasing evidence to suggest that front line managers (FLMs), those at the lower end of the management hierarchy, play a crucial role in the delivery of organisational performance by the way in which they enact HR policies and influence employees' attitudes and behaviours.

There are clear advantages to involving FLMs in people management (Renwick, 2006; Larsen and Brewster, 2003; Whittaker and Marchington, 2003). These managers are best placed to deal with such issues, being closest to front line employees, communicating with them regularly, and with direct responsibly for the management of employees on a day to day basis. They are, therefore, more likely to take ownership of people management and be committed to these activities. Managers should be able to make speedier decisions that are more tailored to the needs of individuals, the workplace and therefore in tune with business realities. First-line managers operate their departments. They assign tasks, manage work flow, monitor the quality of work, deal with employee problems, and keep the middle managers and executive managers informed of problems and successes at ground level in the company.

However, first-line managers are often promoted to managerial positions based on their success in operational or technical roles, while management skills are totally different and not expected to be mastered by them in their previous roles. Training programs for first-line managers can be difficult as such managers are a large population in a company, and very diverse in terms of educational backgrounds and working experience (e.g. experience in managerial jobs) but nonetheless, training of first-line managers is essential for the organisation's success in the business arena.

3. Research Objectives
The research paper is aimed at understanding the role of first-line managers in contributing to an effective High Performance Work System, analyzing HPWS in the context of service industry (main focus being on Retail Sector) and identifying which factors contributing to HPWS are more prominent in the Retail Sector. Lastly, the paper also helps in defining the future scope of HPWS in retail sector by identifying which aspects are required to be improved upon in order to achieve superior performance and some suggestions for the same.

4. Background Study
A High Performance Work System (HPWS) is defined as a systemic approach to organizational design seeking to align the organization with its environment as well as align the organizational structure, systems, and processes using team structures to achieve operational effectiveness, innovation and high quality results for customers. There are five areas that need to be focused upon in order

to achieve a HPWS that encompasses certain specific organizational practices: (1) top leadership support (2) employee empowerment and team-based structures (3) innovative human resource management (4) performance measurement (5) knowledge management.
In simpler words, a HPWS unites social and technical systems, that is, people and technology and then, align them with the strategy of the organization. This will ensure that all interrelated parts of HR are aligned with each other and with the goals of the organization.
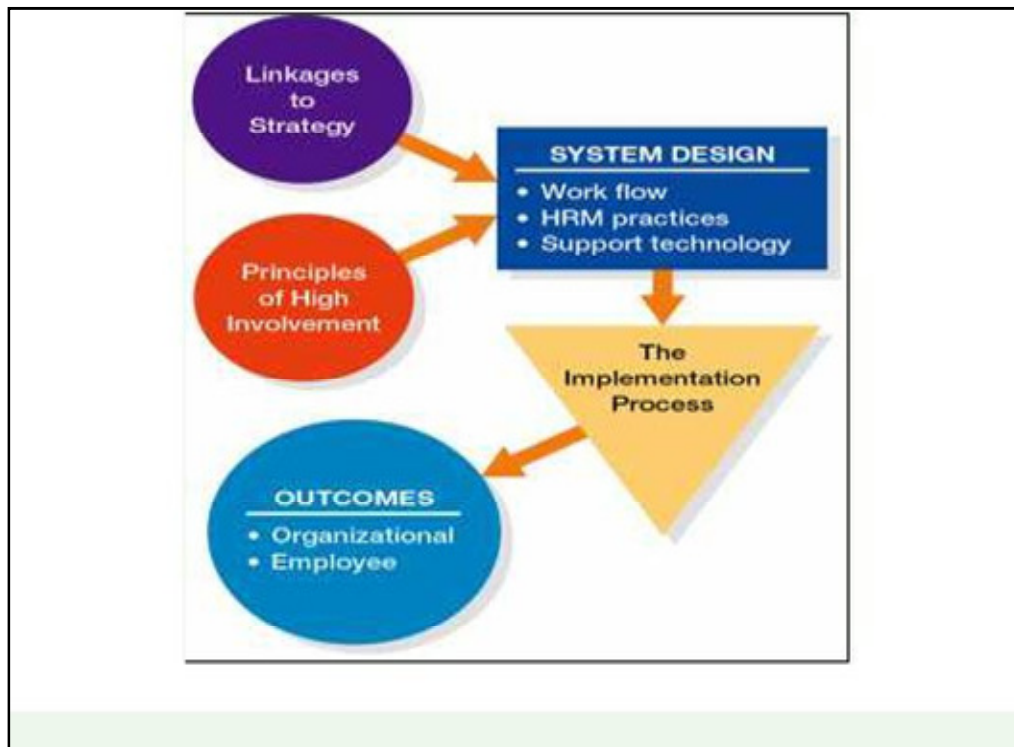

Figure 6: Developing High-Performance Work Systems

4.1. Underlying principles of HPWS

- Egalitarianism: Involving employees in decision-making and giving them the power to act, coupled with organizational support increases employee engagement
- Shared Information: The most common step to bolster engagement is to increase communication by sharing timely information about business performance, plans, and strategies. This helps in building relationships between the employer and employees.
- Knowledge Development: As organizations continue in their race to compete with other organizations, they must invest in continuous knowledge development. The organization can achieve sustainable competitive advantage through employees via VRIO framework. (Liao, Toya, Lepak & Hong, 2009, p. 387).
- Performance-Reward Linkage: This linkage helps to create incentives for the employees to work towards those outcomes that are beneficial to not only themselves but their team and the organization as well.

HPWS serves to enhance the strategic business units (SBU) market performance in the service context by facilitating two types of strategically targeted organizational climate: concern for customers and concern for employees (Burke et al., 1992), which encourages the employees to engage in cooperative behavior with customers (service performance) and co-workers (helping behavior). With regard to HPWS, many organizational experts have found that employees do, in fact, work harder, smarter.
The first-line implementation of HPWS positively relates to work unit performance through the mediation of work unit human capital. There are ways in which positive relation between the two can be established: (a) When the first-line managers focus their attention to recruiting and hiring highly knowledgeable and skilled employees for their work unit, (b) By identifying work unit members' training needs, allowing and encouraging them to attend training, (c) When first-line managers support and encourage their employees' internal career mobility, regularly appraise them, performance and (d) When first-line managers make effort to, on a daily basis, design their work unit members' jobs to include a broad range of tasks and to be challenging,
The job of first-line managers (FLM) is very important in implementing effective HPWS system. FLMs are the people faced with finding solutions to a wide range of problems every day. They are expected to know everyone's job inside out and help out on the front line from time to time. This is a key part of their role. As well as reacting to problems as they arise, FLMs need to anticipate future concerns. If the FLM is given support and encouragement they are more likely to manage their own staff in the same way. The first-line manager is managing the people who perform the work that produces the company's products and services.
However, first-line managers are often promoted to managerial positions based on their success in operational or technical roles. Thus, training of first-line managers is essential as they are the key for the organization's success in the business arena.
Moreover, they are vital for the success of the retail organizations as well at the ground level.

5. Research Methods & Procedures

The research aims to throw light on the various factors that contribute to an effective High Performance Work System (HPWS) and the role that first-line managers play in it with special reference to Retail Sector.

A descriptive research design has been used for the project. A quantitative approach and qualitative approach has been used to analyze the specific research problem in the study. The primary sources of data collection used in the study are questionnaires and personal interviews. The secondary data has been collected from published sources such as articles, books, journals and research papers.

The questionnaire consists of total 16 questions of which 5 questions consist of 5 statements each (25 statements). The respondents were asked to rate the statements on a Likert Scale. Convenience non-probability sampling has been used in the research, that is, respondents have been selected as per the convenience of the researcher.

A sample size of 105 first-line managers was taken for the research. The target audience included retail outlets of a number of organizations spread across Delhi, Faridabad and Noida.

SPSS software has been used to analyze the data in detail and in an accurate manner. Various statistical techniques have been used to analyze the data.

6. Data Analysis

6.1. Reliability Test
Reliability Statistics

Cronbach's Alpha	N of Items
.914	42

Since Cronbach's Alpha is closer to 1, hence the questionnaire is reliable.

6.2. Frequencies (Major Findings)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	100	95.2	95.2	95.2
	No	5	4.8	4.8	100.0
	Total	105	100.0	100.0	

Table 1: Is HR an important function within your organization?

95.2 % of the first–line managers think that HR is an important function in their organization.

- Q4. Work Flow

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	14	13.3	13.3	13.3
	Agree	27	25.7	25.7	39.0
	Neutral	33	31.4	31.4	70.5
	Disagree	26	24.8	24.8	95.2
	Strongly Disagree	5	4.8	4.8	100.0
	Total	105	100.0	100.0	

Table 2: Flexible work assignments are provided to my subordinates

39% managers agree to the fact that flexible work assignments are provided to their subordinates. Majority of the managers do not agree about flexible assignments being provided to their subordinates.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	22	21.0	21.0	21.0
	Agree	21	20.0	20.0	41.0
	Neutral	30	28.6	28.6	69.5
	Disagree	30	28.6	28.6	98.1
	Strongly Disagree	2	1.9	1.9	100.0
	Total	105	100.0	100.0	

Table 3: Creating self-managed teams is encouraged

41 % of the managers agree that the creation of self-managed teams is encouraged. However, majority of them do not agree to the fact that creation of self-managed teams is encouraged.

- Q5. Training

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	18	17.1	17.1	17.1
	Agree	30	28.6	28.6	45.7
	Neutral	32	30.5	30.5	76.2
	Disagree	24	22.9	22.9	99.0
	Strongly Disagree	1	1.0	1.0	100.0
	Total	105	100.0	100.0	

Table 4: Cross training among employees is encouraged

45.7 % managers agree that cross training among the employees is encouraged. However, majority say that cross training among employees is currently not encouraged as cross training would also depend upon the type of organization and the level of expertise that they have in dealing with the day to day work functions.

- Q6. Compensation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	31	29.5	29.5	29.5
	Agree	16	15.2	15.2	44.7
	Neutral	19	18.1	18.1	62.8
	Disagree	36	34.3	34.3	97.1
	Strongly Disagree	3	2.9	2.9	100.0
	Total	105	100.0	100.0	

Table 5: Team incentives work better than individual incentives

44.7 % managers agree that team incentives work better than individual incentives for retail outlets as incentives are mostly target based. However, some of the managers prefer giving individual incentives to the employees for target completion. It is completely subjective in nature for the organization.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	23	21.9	21.9	21.9
	Agree	42	40.0	40.0	61.9
	Neutral	26	24.8	24.8	86.7
	Disagree	13	12.4	12.4	99.0
	Strongly Disagree	1	1.0	1.0	100.0
	Total	105	100.0	100.0	

Table 6: Profit sharing is preferred over gain sharing by the organization

61.9 % managers agree that profit sharing is preferred over gain sharing by the organizations but many organizations are also of the view that gain sharing can also be successfully implemented as gain sharing focusses employees only on factors that they have some control over (quality of customer satisfaction) and involves a higher degree of employee involvement.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	15	14.3	14.3	14.3
	Agree	31	29.5	29.5	43.8
	Neutral	31	29.5	29.5	73.3
	Disagree	28	26.7	26.7	100.0
	Total	105	100.0	100.0	

Table 7: Due credit is given to subordinates when something substantial is accomplished on the job

43.8 % managers agree that due credit is given to the subordinates when something substantial is accomplished on the job. However, majority disagree to the fact that due credit is given to subordinates for substantial accomplishments on the job. This indicates that the

attrition level is high for junior/entry level employees.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	32	30.5	30.5	30.5
	Agree	35	33.3	33.3	63.8
	Neutral	17	16.2	16.2	80.0
	Disagree	17	16.2	16.2	96.2
	Strongly Disagree	4	3.8	3.8	100.0
	Total	105	100.0	100.0	

Table 8: Non-financial incentives are included in the compensation of my subordinates apart from financial incentives

63.8 % managers agree to the fact that non-financial incentives are included in the compensation of their subordinates apart from financial incentives. Non-financial incentives also motivate the employees to perform more effectively on their job.

- Q7. Leadership

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	16	15.2	15.2	15.2
	Agree	24	22.9	22.9	38.1
	Neutral	28	26.7	26.7	64.8
	Disagree	32	30.5	30.5	95.2
	Strongly Disagree	5	4.8	4.8	100.0
	Total	105	100.0	100.0	

Table 9: Coaches and facilitators are provided by the organization for its team

38.1% managers agree that coaches and facilitators are provided by the organization for its team. However, majority disagree that coaches and facilitators are provided by the organization for its team.

- Q8. Communication & Technologies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	38	36.2	36.2	36.2
	Agree	28	26.7	26.7	62.9
	Neutral	22	21.0	21.0	83.8
	Disagree	16	15.2	15.2	99.0
	Strongly Disagree	1	1.0	1.0	100.0
	Total	105	100.0	100.0	

Table 10: The content of the company's new announcements is openly discussed with subordinates

36.2% managers strongly agree, 26.7% agree and 21% are neutral about the fact that the content of the company's new announcements are openly discussed with the subordinates. However, some managers feel that not all decisions can be discussed with subordinates and have to be kept confidential at the higher management levels only.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	25	23.8	23.8	23.8
	Agree	47	44.8	44.8	68.6
	Neutral	17	16.2	16.2	84.8
	Disagree	12	11.4	11.4	96.2
	Strongly Disagree	4	3.8	3.8	100.0
	Total	105	100.0	100.0	

Table 11: Subordinates' ideas and suggestions are taken

68.6% managers agree that the subordinates' ideas and suggestions are taken. Some managers also feel that the ideas first have to be screened for feasibility and then only, they are accepted by the higher levels of management.

- Q9. Manager's Job Satisfaction Index (relating to aspects in his job).

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely Satisfied	23	21.9	21.9	21.9
	Satisfied	49	46.7	46.7	68.6
	Neutral	21	20.0	20.0	88.6
	Dissatisfied	11	10.5	10.5	99.0
	Extremely Dissatisfied	1	1.0	1.0	100.0
	Total	105	100.0	100.0	

Table 12: Non-technical training

68.6% managers are satisfied with non-technical training.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely Satisfied	23	21.9	21.9	21.9
	Satisfied	32	30.5	30.5	52.4
	Neutral	34	32.4	32.4	84.8
	Dissatisfied	14	13.3	13.3	98.1
	Extremely Dissatisfied	2	1.9	1.9	100.0
	Total	105	100.0	100.0	

Table 13: Coaching, guidance and mentoring

52.4% are satisfied with coaching, guidance and mentoring.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely Satisfied	26	24.8	24.8	24.8
	Satisfied	52	49.5	49.5	74.3
	Neutral	18	17.1	17.1	91.4
	Dissatisfied	8	7.6	7.6	99.0
	Extremely Dissatisfied	1	1.0	1.0	100.0
	Total	105	100.0	100.0	

Table 14: Career opportunities

49.5 % are satisfied and 24.8% are extremely satisfied with career opportunities that are provided to them.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely Satisfied	22	21.0	21.0	21.0
	Satisfied	45	42.9	42.9	63.8
	Neutral	23	21.9	21.9	85.7
	Dissatisfied	13	12.4	12.4	98.1
	Extremely Dissatisfied	2	1.9	1.9	100.0
	Total	105	100.0	100.0	

Table 15: Performance appraisal and development reviews

63.8 % are satisfied with performance appraisals and development reviews.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely Satisfied	26	24.8	24.8	24.8
	Satisfied	42	40.0	40.0	64.8
	Neutral	25	23.8	23.8	88.6
	Dissatisfied	9	8.6	8.6	97.1
	Extremely Dissatisfied	3	2.9	2.9	100.0
	Total	105	100.0	100.0	

Table 16: Motivation-inducing initiatives taken by the organization

64.8 % are satisfied with motivation inducing initiatives taken by the organization.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely Satisfied	26	24.8	24.8	24.8
	Satisfied	36	34.3	34.3	59.0
	Neutral	18	17.1	17.1	76.2
	Dissatisfied	17	16.2	16.2	92.4
	Extremely Dissatisfied	8	7.6	7.6	100.0
	Total	105	100.0	100.0	

Table 17: Compensation scheme

59% managers are satisfied with the compensation scheme being provided to them.

- Q12. Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	87	82.9	82.9	82.9
	Female	18	17.1	17.1	100.0
	Total	105	100.0	100.0	

Table 18: Gender

82.9% managers are males and 17.1% managers are females. Team leads in the retail sector are mostly males.

	N	Mean
Work Flow	105	2.2400
Training	105	2.0533
Compensation	105	2.3181
Leadership	105	2.1048
Comm. & Tech.	105	2.2610
Valid N (listwise)	105	

Table 19: Descriptive Statistics - Means

It can be observed from the above table that the parameters of HPWS that are more prominent than others in the Retail Sector (in order of highest to lowest) are Compensation, Communication / Technology, Work Flow, Leadership and Training.

6.3. Independent Sample T-Test

1. Hypothesis 1: There is no significant difference in the perception of Training between males and females.

Group Statistics

Gender		N	Mean	Std. Deviation	Std. Error Mean
TRAIN	**Male**	**87**	**2.0391**	**.47136**	**.05053**
	Female	**18**	**2.1222**	**.42365**	**.09985**

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
TRAIN	Equal variances assumed	.035	.852	-.692	103	.490	-.08314	.12010	-.32133	.15505
	Equal variances not assumed			-.743	26.480	.464	-.08314	.11191	-.31298	.14670

Table 20

Since the difference between the means of male and female gender is minimal and also, Sig. > 0.05 hence we accept the null hypothesis that there is no significant difference in perception of Training between males and females.

2. Hypothesis 2: There is no significant difference in the perception of Compensation between males and females.

	Group Statistics				
	Gender	N	Mean	Std. Deviation	Std. Error Mean
COMP	**Male**	**87**	**2.3218**	**.60414**	**.06477**
	Female	**18**	**2.3000**	**.41868**	**.09868**

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
COMP	Equal variances assumed	4.392	.039	.146	103	.884	.02184	.14958	-.27481	.31849
	Equal variances not assumed			.185	33.570	.854	.02184	.11804	-.21816	.26184

Table 21

Since the difference between the means of male and female gender is minimal and also, Sig. < 0.05 hence we reject the null hypothesis that there is no significant difference in perception of Compensation between males and females.

6.4. Cross Tabulation

1) Age * Manager's Satisfaction Level with Compensation Scheme

Count

	Age	20-25 years	25-35 years	Above 35 years	Total
Rate your satisfaction level regarding the following aspects in your job on a scale of 1-5 - Compensation scheme	Extremely Satisfied	8	17	1	26
	Satisfied	9	21	6	36
	Neutral	4	12	2	18
	Dissatisfied	2	15	0	17
	Extremely Dissatisfied	1	7	0	8
Total			24	72	9	105

Table 22

Majority of the first-line managers belong to age group of 25-35 years. Out of 105 managers, 36 are satisfied with Compensation Scheme and 26 are extremely satisfied. In the age group of 25-35 years, 21 are satisfied and 17 are extremely satisfied.

2) Age * Team Incentives work better than Individual Incentive

Count

	Age	20-25 years	25-35 years	Above 35 years	Total
Rate the following statements on a scale of 1-5 - Team incentives work better than individual incentives	Strongly Agree	12	18	1	31
	Agree	4	10	2	16
	Neutral	2	16	1	19
	Disagree	6	26	4	36
	Strongly Disagree	0	2	1	3
Total		24	72	9	105

Table 23

Majority of first-line managers belong to age group of 25-35 years. Out of 105 managers, 31 strongly agree to the fact, 16 agree and 36 disagree to the fact. Within the age group of 25-35 years, 18 strongly agree, 10 are neutral and 26 disagree to the fact.

3)   Gender * Due credit is given to subordinates when something substantial is accomplished on the job.

Rate the following statements on a scale of 1-5 - Due credit is
. given to subordinates when
. something substantial is accomplished on the job

Count

	Gender		
	Male	**Female**	**Total**
Strongly Agree	14	1	15
Agree	23	8	31
Neutral	29	2	31
Disagree	21	7	28
Total	87	18	105

Table 24

Majority of first-line managers (87) are males and only 18 are females. Out of 105 managers, 31 are neutral about the fact, 31 agree, 15 strongly agree and 28 disagree to the fact. Within the males group, 29 are neutral, 14 strongly agree and 23 agree and 21 disagree to the fact. Within the females group, only 8 agree and 7 disagree. [Table 36]

7. Major Findings of the Study

7.1. Current Scenario of HPWS in Retail Sector
Retail sector is the second largest employer in India and we are seeing the trend of organized retail growing in India, which currently accounts to only 8%. Organized retail includes everything from apparel (fashion and accessories), jewellery to consumer electronics, lifestyle stores, food, groceries and healthcare products.
 [sample composition in the current research study]
The Human Resource function plays an important role in the retail sector as the employees operate in a very unique and competitive environment. The Human Resource Department within these organizations have shifted from being purely a support department to becoming an integral profit making part of the organization and also a strategic business partner which can 'lead' the organization's growth to a large extent.
It has been observed that the success of any player in the retail sector depends not only understanding the target customer segments and applying the correct permutation-combination of marketing mix strategies to attract the customer base, but also how effectively a retailer develops systems of high performance work practices to materialize the desired potential among the employees.
There is a talent crunch within this sector with the shortage of experienced human capital across all levels which has led to an increase in the phenomenon of 'poaching' wherein specifically, the front line manager attrition rate has increased lately due to better salaries being offered by their competitors.
The employees at the entry level are more keen to know about their pay package than the organization and are ready to change jobs even if they get a slightly higher 'hike'. In other words, a lot of variable components which are 'target-based' are not taken 'positively' by the entry level employees. There are some other factors which also motivate the entry-level employees but underscore when compared to 'compensation'. The compensation of the front-liners is seen to be more 'conservative' while the compensation of the store-managers is seen to be more 'competitive'. Some retail organizations also implement 'profit sharing' mechanism in order to motivate the employees in a better manner and maintain a 'degree of fairness' for both the retailers and the employees.
A need for the development of skilled and knowledgeable manpower is also felt at 2 levels – (a) managerial and (b) associates which would necessitate the setting up of in-house training centres in order to retain their 'prized' employees in market where there is scarcity of talent and too many players competing for its possession.
Retail organizations successfully operate on 'teamwork' concept.
Speaking about the working pattern of the retail sector, it comprises of long hours which causes fatigue and low motivation levels among the employees which often lead to maybe poor performance or absenteeism.
To conclude the current discussion, there is a need to develop effective HR systems in order to encourage and nurture the employees, monitor-evaluate-manage the performance of the employees and also, administering reward recognition programs which will help to multiply opportunities for the employees to advance in their desired career path, and retain the engaged employees as well. Since retail is a growing sector, it has huge potential for employees in the future and so, it should buckle up to meet the human resource challenges that it faces in order to achieve sustainable competitive advantage for itself.

7.2. *Major Findings of the Study*

1. First line managers consider HR as an important function within their organization and feel that the HR should be involved in designing and implementing a high performance work system and the organization should encourage employee involvement at all levels regarding input suggestions and adaptations according to the employees' actual experience in the actual sales scenario. Majority of the first line managers take the initiative of deliberating with the HR team about their responsibilities as a contributor to HPWS.

2. The parameters of HPWS that are more prominent than others in the Retail Sector (in order of highest to lowest) are Compensation, Communication / Technology, Work Flow, Leadership and Training.

3. There is a lack of the provision of flexible assignments to the subordinates and weekly meetings are not held regularly to identify performance gaps.

4. Cross training among employees is currently not encouraged as cross training would also depend upon the type of organization and the level of expertise that they have in dealing with the day to day work functions.

5. Some managers agree that team incentives work better than individual incentives for retail outlets as incentives are mostly target based. However, some of the managers also prefer giving individual incentives to the employees for target completion. It is completely subjective in nature for the organizations. Nearly 62% of the managers agree that profit sharing is preferred over gain sharing by the organizations but many organizations are also of the view that gain sharing can also be successfully implemented as gain sharing focusses employees only on factors that they have some control over such as quality and customer satisfaction.

6. Due credit is not given to subordinates for substantial accomplishments on the job, which indicates that the attrition level is high for junior/entry level employees.

7. First line managers are mostly satisfied with the components mentioned with respect to their job profile, except coaching and grievance handling. Most of the first-line managers and team leads in retail sector are males. There is an increase in the number of female employees but only few have risen to the post of first-line managers.

8. There is a significant difference that exists between males and females regarding perception of Compensation.

8. Conclusion and Future Scope

The high-performance work system aims to raise the performance of the organization through its people. High-performance management practices involve the strategic resourcing, employee development, performance management and reward processes that focus on the delivery of added value. Retail organizations have to develop and modify factors of HPWS, indicative in the said research paper, in order to achieve competitive advantage for the organization and accelerate its growth in the long run.

9. Recommendations for a More Effective HPWS

1) With respect to work flow, first line managers need to empower their staff to use their judgement in terms of customer service and inventory management. It is not always possible to hold meetings on a weekly basis but it is desirable as it helps to monitor continuous progress of the employees and helps HR Department to plan for reward program for every individual employee according to the 'target set v/s target achieved'. Goal setting should be done in such a manner that most of the goals are measurable and quantified. The creation of self-managed teams should be encouraged as the employees' decision-making abilities and capacities to hold greater responsibilities is improved. Team building and freedom in thought of staff is important for a healthy organization. Flexibility should be provided to the employees in choosing among different work assignments so that they are 'wholly developed'.

2) With respect to training, it is an important tool for the future leader. There should be formulation and proper implementation of employee development plans followed by regular doses of learning. More in-house training centres should be set up by the respective organizations or they should tie up with small institutes to fulfill their training needs as training is considered to be the 'best investment' in retail business. More focus should be laid upon training for specific competencies required for positions within the company and the requirements at each job progression by cross-training the employees through methods such as special assignments, job rotations and job enlargement.

3) With respect to compensation, the compensation mix should be such that there is a fair amount of balance between financial and non-financial incentives. Frotnl-line managers prefer to get a larger share in 'financial incentives' (cash in hand) than in kind. Due credit should be given to employees so that they stay 'on the job' and attrition levels are decreased. Team incentives work more efficiently in the retail outlets because their work profiles are 'target based' (pay for performance culture) and they help in promoting an atmosphere where taking care of customers and cultivating long-term relationships is more important than chasing short-term sales. However, organizations should use a combination of individual and team incentives depending upon specific situations. Gain-sharing can also be implemented as it has been successful in some retail organizations so far because it has led to increase in quality of customer service and reduction in the levels of customer dissatisfaction (the credibility of gain-sharing can be gauged from previous successful implementations).

4) With respect to leadership, the number of coaches needs to be increased so that better guidance is provided to fresh employees and they learn better 'on the job'. Team leaders play an important part in the retail outlets as they groom employees for the next higher role as the retail industry is ever so booming and the employees have to be kept 'at pace' in order to remain competitive.

5) With respect to communication, more open discussions should take place between the team leaders and subordinates as it can help

address current problems and bring in new ideas to the table which may materialize if they are 'feasible and useful' to the organization. Certain decisions have to be kept in the hands of top management only, but decisions concerning subordinates should involve the subordinates' participation as well. The level of engagement needs to increase to help the team to achieve the 'desired results' easily and with minimum level of group conflict. Proper and regular feedback needs to be given. 'Information Silos' need to be broken down to create a more 'cohesive' culture. Goals, expectations and future prospects should be clearly communicated to the employees.

6) Retail organizations should make an effort to increase the number of women employees as 'first-line managers' by giving them equitable remuneration, greater responsibilities, meaningful training programmes and flexible timings so as to ensure proper 'work-life integration' for them.

10. Limitations of the Study

1) Some managers were too busy to give a sincere response to the interviewer and hence their response may not relate very accurately to real picture.
2) The sample size is comparatively small so the results cannot be generalized for the entire population.

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