

Best HR Practices in Retail Industry : Evidence from Big Bazar and Spencers

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Abstract - Human Resource Management plays a vital role in accomplishing the organizations objectives. The study focuses on the HR practices implemented in the organizations of retail industry which in turn affects the performance of the employees as well as organization. The present paper is an attempt to analyze the HRM practices implemented in the organized retail sector in India. The primary data is collected through a questionnaire.

Key Words - HR Practices, Performance Appraisal, Training and Development, Reward and Recognition.

I. INTRODUCTION

The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. Total consumption expenditure is expected to reach nearly US\$ 3,600 billion by 2020 from US\$ 1,824 billion in 2017. It accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. India is the world's fifth-largest global destination in the retail space.

Market Size

Retail market in India is projected to grow from an estimated US\$ 672 billion in 2017 to US\$ 1,200 billion in 2021F. Online retail sales are forecasted to grow at the rate of 31 per cent year-on-year to reach US\$ 32.70 billion in 2018.

India is expected to become the world's fastest growing e-commerce market, driven by robust investment in the sector and rapid increase in the number of internet users. Various agencies have high expectations about growth of Indian e-commerce markets.

Luxury market of India is expected to grow to US\$ 30 billion by the end of 2018 from US\$ 23.8 billion 2017 supported by growing exposure of international brands amongst Indian youth and higher purchasing power of the upper class in tier 2 and 3 cities, according to ASSOCHAM.

Investment Scenario

The Indian retail trading has received Foreign Direct Investment (FDI) equity inflows totalling US\$ 1.66 billion during April 2000–March 2019, according to the Department of Industrial Policies and Promotion (DIPP).

With the rising need for consumer goods in different sectors including consumer electronics and home appliances, many companies have invested in the Indian retail space in the past few months.

India's retail sector investments doubled to reach Rs 1,300 crore (US\$ 180.18 million) in 2018.

Walmart Investments Cooperative U.A has invested Rs 2.75 billion (US\$ 37.68 million) in Wal-Mart India Pvt Ltd.

Government Initiatives

The Government of India has taken various initiatives to improve the retail industry in India. Some of them are listed below:

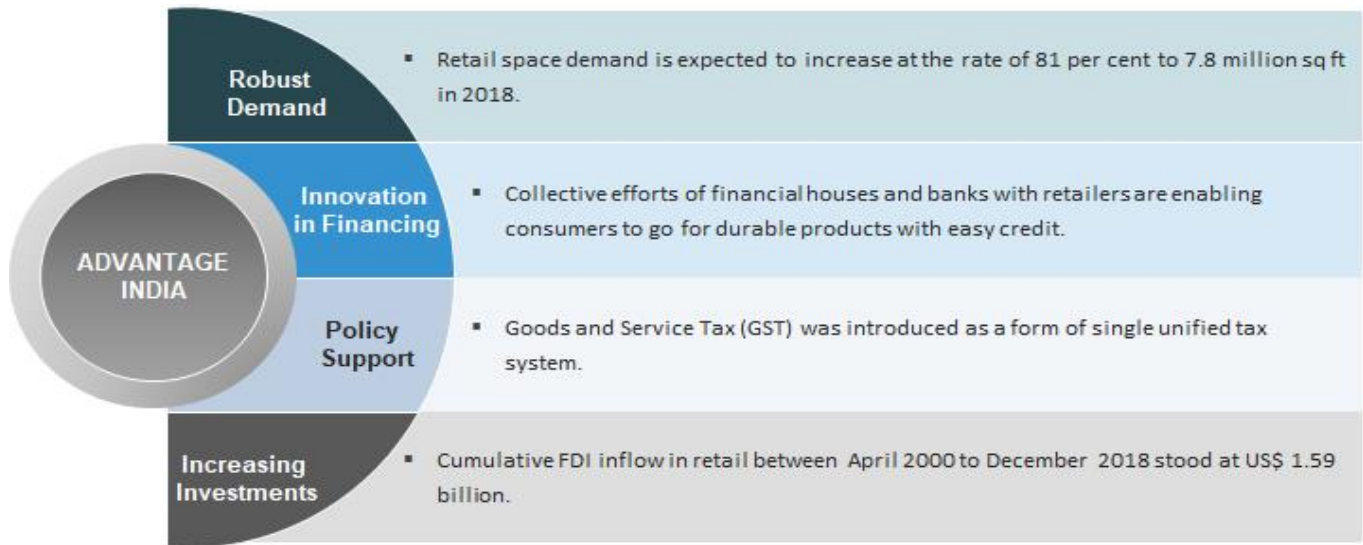
- The Government of India may change the Foreign Direct Investment (FDI) rules in food processing, in a bid to permit e-commerce companies and foreign retailers to sell Made in India consumer products.
- Government of India has allowed 100 per cent Foreign Direct Investment (FDI) in online retail of goods and services through the automatic route, thereby providing clarity on the existing businesses of e-commerce companies operating in India.

Road Ahead

E-commerce is expanding steadily in the country. Customers have the ever increasing choice of products at the lowest rates. E-commerce is probably creating the biggest revolution in the retail industry, and this trend would continue in the years to come. India's e-commerce industry is forecasted to reach US\$ 53 billion by 2018. Retailers should leverage the digital retail channels (e-commerce), which would enable them to spend less money on real estate while reaching out to more customers in tier-2 and tier-3 cities.

It is projected that by 2021 traditional retail will hold a major share of 75 per cent, organised retail share will reach 18 per cent and e-commerce retail share will reach 7 per cent of the total retail market.

Nevertheless, the long-term outlook for the industry is positive, supported by rising incomes, favourable demographics, entry of foreign players, and increasing urbanisation.



Source:www,ibef.org

MOTIVATION FOR STUDY

In spite of the understanding that customer’s level of satisfaction with the retail outlets also influence on employee satisfaction in selected store sales, very few studies were found examining employee level of satisfaction in HR practices on retail sector. Moreover, most of the studies were in global context and lack comparisons in the organized retail sector like BigBazaar and Spencer’s .Human Practices became necessary for employees s in these stores is crucial for better customers satisfaction. Moreover, it becomes necessary for a retailer to understand the critical role of the profile of retail customer for accelerating the human skills o f the employees . Retail sector is on the edge for growth in domestic and global markets due to liberalization. With the rapid growth of organized retailing in India, there is a dire need to understand these, explore reasons behind it and pose managerial challenges.

II. REVIEW OF LITERATURE

Barrat, (2006) and MacReady(2007) discussed practices of Wal-Mart to show how a retailer created discontinuities and satisfied consumers needs. In its attempt to increase sales volumes, it created a new business model, the so-called —Walk in Clinicl, where shoppers can visit nurse practitioners in independently operated clinics set up within the stores.

Wood (2004), Longenecker et al. (2006), and Manning and Reece (2007) suggest that customers perceive the product’s value based on its benefits which, in turn, is influenced by the product’s performance, features, quality, warranties, packaging and labelling. Jung and Pysarchik (2004) note

that Indian consumers’ attitude towards new products are changing significantly and this can increase their intention to shop in new retail formats such as supermarkets.

SCOPE OF STUDY

The present study is undertaken to understand the HR practices of new-generation retail outlets like Big Bazaar and Spencer’in Vijayawada whichshows the Human Resource practices of the present day retail outlets in a city like Vijayawada where the demographic and psychographic profile of the shoppers will be quite different as compared to the big cities like Mumbai, New Delhi, Bangalore, Pune, Chennai and Kolkata.

OBJECTIVES OF THE STUDY

1. To examine the human resource practices in select sample in retail outlets
2. To understand the employee’s level of satisfaction before and after training in the selected retail outlets
3. To have a comparison of the selected retail stores in organized sector in Vijayawada,

III. METHODOLOGY

A structured questionnaire was used to collect primary data. Convenient random sample of thirty respondents (30 from Bigbazar , 30 from Spencers) were asked to fill the questionnaire consisting of both open-ended and closed questions. Respondents were randomly intercepted in the shopping malls and information elicited from the co-operative ones. Five-point Likert Scale was used to record

and measure the satisfaction level. Primary data was analyzed using percentages and inferences were drawn.

Particulars	Big Bazaar	Spencers
I. Training and Development		
1. Extensive training programs are provided for employees in firm.		
a. Strongly agree	35%	10%
b. Agree	56%	20%
c. Neutral	0%	45%
d. Disagree	9%	25%
e. Strongly disagree	0%	0%
2. Employees go through various training programs every year.		
a. Strongly agree	47%	23%
b. Agree	45%	37%
c. Neutral	8%	25%
d. Disagree	0%	15%
e. Strongly disagree	0%	0%
3. Firm provides formal training to promote skills to new hires as well as to promoted or existing employees.		
a. Strongly agree	30%	45%
b. Agree	43%	35%
c. Neutral	15%	18%
d. Disagree	12%	2%
e. Strongly disagree	0%	0%

Inference

From the above table, it is evident that three points are considered for Training and Development like Extensive training programs are provided for employees in firm, Employees go through various training programs every year and Firm provides formal training to promote skills to new hires as well as to promoted or existing employees. It is found that . Extensive training programs are provided for employees in firm were given from Big Bazaar. Employees go through various training programs every year more for Spencer’s and Firm provides formal training to promote skills to new hires as well as to promoted or existing employee more for Spencer’s.

II. Performance Appraisal		
4. Firm uses performance based appraisal		
a. Strongly agree	55%	53%
b. Agree	40%	38%
c. Neutral	5%	0%
d. Disagree	0%	9%
e. Strongly disagree	0%	0%
5. Firm uses employee’s self-ratings on performance.		
a. Strongly agree	46%	49%

b. Agree	32%	33%
c. Neutral	17%	13%
d. Disagree	5%	0%
e. Strongly disagree	0%	5%
6. Superiors in firm frequently discusses performance with subordinates.		
a. Strongly agree	66%	52%
b. Agree	34%	44%
c. Neutral	0%	4%
d. Disagree	0%	0%
e. Strongly disagree	0%	0%

Inference

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III. Rewards and Recognition		
7. Is your work being appreciated in your firm?		
a. Strongly agree	35%	22%
b. Agree	38%	29%
c. Neutral	6%	22%
d. Disagree	11%	19%
e. Strongly disagree	10%	8%
8. Are you aware of rewards and recognition programme in your firm?		
a. Yes	76%	64%
b. No	0%	12%
c. Sometimes	24%	24%
9. Are you being appreciated for every six months?		
a. Yes	43%	17%
b. No	3%	16%
c. Sometimes	54%	67%
10. What kind of rewards & recognition you prefer?		
a. Monetary	66%	45%
b. Non Monetary	23%	15%
c. Both	11%	40%
11. Rewards in your firm are satisfactory?		

a. Highly Satisfied	23%	21%
b. Satisfied	53%	31%
c. Neutral	8%	17%
d. Dissatisfied	12%	23%
e. Strongly dissatisfied	4%	8%

From the above table, it is evident that three points are considered for appreciation i.e., aware of rewards and recognition program me.Appreciated for every six months It is found that employees in firm were being appreciated 38 percent by Big Bazar ,where as Employees aware of rewards and recognition more by Big Bazar and 66 percent are satisfied by monetary benefits.

IV. TESTING OF HYPOTHESIS

H1:. Training and Development has no impact on employee work performance

1.One sample t-test is used with $\alpha=.05$ and confidence level at 95%, $df = 99$,

Particulars	N	MEAN	STD	Std. Error Mean
Training and Development	30	0.2	.17	1.109

Inference

From the above results, the mean value0.18 is greater than0-5. The significance value of the output, 0.00 is lesser than the tested significance level at 0.05. Hence, null hypothesis is rejected and alternative hypothesis is accepted.

H2:. Performance Appraisal no impact on employee work performance

Particulars	N	MEAN	STD	Std. Error Mean
Performance Appraisal	30	.2	.22	7.16

Inference

From the above results, the mean value0.2 is greater than0-5. The significance value of the output, 0.00 is lesser than the tested significance level at 0.05. Hence, null hypothesis is rejected and alternative hypothesis is accepted.

H3:Reward & Recognitionno impact on employee work performance

Particulars	N	MEAN	STD	Std. Error Mean
Reward&Recognition	30	.27	.19	1.109

Inference

From the above results, the mean value0.27 is greater than 0.5 . The significance value of the output, 0.00 is lesser than the tested significance level at 0.05. Hence, null hypothesis is rejected and alternative hypothesis is accepted.

V. FINDINGS

- Extensive training programs are provided for employees in firm were given from Big Bazaar. Employees go through various training programs every year more for Spencer’s and Firm provides formal training to promote skills to new hires as well as to promoted or existing employee more for Spencer’s.
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VI. RECOMMENDATIONS

- Most of the people who visited these stores were salaried people. In general, people have belief that new-generation outlets are more visited by Business-class people which proves to be wrong.Retail outlets may attract by introducing new promotional tools like Surprise gifts,Lucky draws and many more.
- Retail organizations both existing and new employees should take noteattending,implementing to attain rewatrds and recognitions .
- This study suggests to focus on mouth publicity that the products are reasonable using mouth a source by the employees near the cash counters.
- This study also casts a serious doubt that these outlets are meant for higher class people only and are visited more by them. Stores should take note of this and should keep prices for certain outfits as low as 199-399 which are more affordable by people in such income category for increasing more footfalls inside the stores. Spencer’s is a best example as per the study. The Overall HR practices implemented in stores are satisfactory.

VII. CONCLUSION

The need for effective HR practices cannot be ignored in the modern retail world. Through this we have established

that HRM plays a vital role in the performance of the organization. In the retail world a tangible product is sold with services from the staff and it is to be noted that the staff performance effects the customer purchase. Hence a satisfied workforce has become a competitive advantage specially in the retail industry. The study reveals effective HR practices affects the employee performance in turn reflects on the performance of the company.

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