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A SECONDARY DATA STUDY OF TALENT ATTRACTION AND RETENTION PRACTICES IN THE ORGANIZED RETAIL SECTOR IN INDIA

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ABSTRACT

Quality workforce is a problem that perennially plagues the organized Indian retail. A career in retail is never considered a substantial proposal in our country. Therefore the hoi polloi at large is fraught with apprehensions and forebodings with respect to carving out a career niche in the same. The study precisely captures this very bottleneck in the headway of a smooth and to somewhat secure state of affairs; considering the perfect security which is uncharacteristic of a business concern, for the ever changing external environment with myriad of mint-fresh competitors always streaming in; which can become of the organized retail in India. The present paper is a study of secondary data of organized Indian retail and the challenges it faces with respect to attraction and retention practices. The paper is thoroughly descriptive in character and spirit and therefore delineates the present state of affairs of organized retail in India and on that ground suggests various attraction and retention strategies for the same. The study draws heavily from secondary data collected through various journals and magazines that were deliberated for penning down its text.

General terms: Descriptive study, secondary data, organized retail, attraction strategies, retention strategies.

Key words: Hoi polloi, front end, back end, mercantile missions, mercantile fitness, platitude workforce.

1. INTRODUCTION

The story of India's retail sector started with the incubation of kirana stores. Gradually national level players like Bombay Dyeing, TATAs and Birlas also took a deep plunge in the pool of retailing. Earlier the HR practices of retail sector were confined primarily to the policy of "HIRE, TIRE and FIRE". But slowly and steadily HR has evolved as a major strategic partner of the companies involved in the Indian retail. Taking up a career in retail has never been considered a meaty proposition, in India and the recent booming sectors like IT and ITES (BPO) were and are preferred as a better career option. Therefore, there has always been a dearth of quality talent in the retail sector. The challenge of today's HR professional is not only to change the mindset of the people of India at large regarding the preference of retail as a career choice but to make the compensation plans, perks and perquisites attractive and at the same time completely justified and fair enough to pull the human resource to this much shunned sector. The present paper is descriptive in nature and draws liberally from secondary data collected through various sources like journals, magazines, articles, research papers and internet, to make a critical evaluation of the organized retail sector in India. It also discusses various pull strategies to employ quality human resource in the sector.

2. REVIEW OF LITERATURE

Retail has perennially been the most shunned area in respect of gifted workforce who has the knack and bent of mind to understand and cater to its challenges and needs. It is because retailing is not regarded with the keen and ardent eyes suggestive of a whole lot of

reaping and befitting future set of prospects. It is pooh-poohed by all and sundry and a career in the same is not considered a meaty proposition, with the instances significantly glaring when it comes to India. Indian clans snigger, deride and scoff at the notion of their neighbor's child carving out a niche in retail, and so the encumbrance of the parents' child in consideration to disregard and disapprove of his or her decision to hoist a career in the same, inspite of his or her talents. Even if somehow the sector happens to hook one or a few dexterous set of employees for its own benevolence, the employees discard its fashion ones they acquire employments at much more substantial economies. So it is a predicament of double whammy comprising of recruitment and retention challenges that the sector has to deal with. It is crucial to have the cognizance of the concept of retail foremost. Kotler[1] opines that retailing in India comprises of activities in selling goods or services directly to final consumers for personal, nonbusiness use. He further elaborates that a retailer or retail store is any business concern whose sales volumes comes primarily from retailing. More explicitly, any enterprise or organization selling to final consumers- be it a manufacturer, wholesaler or retailer- is doing retailing. The various levels of retailing are self- service, self selection, limited service and full service. While self service is meant for more discounting benefits, for the customers are indulged in the process of locate-compare-select process, self-selection comprises of looking for the commodities by the customer themselves, however they can take assistance, in limited service retailers carry more shopping goods and services such as credit and merchandise return advantages, and finally in full service, salespeople have the ready avowal to assist in every phase of the locate-compare-select process. So next in order is to understand more completely the concept of recruitment.[1] Flippo, the father of the discipline of personnel management, defines it as a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization[2].Werther et al define recruitment as a process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applications from which new employees are selected.[3] In the same breath Yoder elucidates, "recruitment is a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective selection of an efficient working force."[4] Aswathappa, sums it all by delineating its essence in the following words, "recruitment is a process of searching for and obtaining applicants for jobs, from whom the right people can be selected."[5] Gupta henceforth rubricates recruitment into following cliques- planned, anticipated and unexpected. Planned needs arise from changes in organization and retirement policy, while resignation, accidents and illness give rise to unexpected needs and anticipated ones comprise of those movements in personnel which a concern can predict by studying trends in the internal and external environments[6]. Embarking on retention strategies, the most harvesting and prototypical proposals come in the garb of becoming training and development arrangements invested in by the enterprises. Jucious[7], defines it as any process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased. On the other hand, education is the process of increasing the general knowledge and understanding of employees." So it could be deduced that while training is vocational, education is general and its major burden falls on the government, and hence education is person-oriented while training is job-oriented. Development is a long term educational process utilizing systematic and organized procedure by which non-managerial personnel learn conceptual and theoretical knowledge for general purpose. In conformance with the aforementioned, Campbell[8] opines, "training courses are typically designed for a short-term, stated set purpose, such as the operation of some piece of machinery while development involves a broader education for long-term purposes." Rendering it more unequivocal in character, the juxtaposed instances of an internet café-operator and a software engineer could be taken into consideration. The celerity and deftness of strike and move of the keys coupled with the detent of the mouse characteristic of a café operator, who administers his commission and charge of duties oblivious of the subtleties comprising of his esoteric hardware and software complex, and a software engineer hip to the nitty-gritty of the previously mentioned system of underhand manipulation, although operates it with a more nonchalant aspect but with greater degree of certitude and moment, are two unexpected combinations of character and notions suggesting formidable bifurcations and rubrications. While the former is an apt instance of a person who underwent training, the latter imparts the notion of rigorous development exercise. So the training and development programs conducted by the concerns today comprise largely of the retention strategies they contrive for the benevolence of the management and employees alike. The Indian retail sector too could come forth with such suggestive training and development programs at the various professional pecking orders of its employees to more elaborately cater to their needs and aspirations and thereby contrive their own ambitions of a magnetic economy to invest a career in, in the realizable future.

3. ANALYSIS OF SECONDARY DATA

As mentioned earlier there is dearth of quality talent in the organized retail sector in India. Due to globalization there is increased pressure on the demand and supply side of the Indian retail sector. Due to the recent development trends in India, the hoi polloi are also enjoying an increased income which eventually means more retail demand. There is a sea change in the behavior pattern of the Indian consumer. This has happened for the Indian hoi polloi is earning more now, western influences, women working force is

GLOBAL JOURNAL OF ADVANCED RESEARCH
(Scholarly Peer Review Publishing System)

increasing, desire for luxury items and better quality products are on an unprecedented high. All these have led the Indian organized retail sector to give more in order to satiate the gargantuan appetite of the Indian customer.

In figure 1, attached at the end, we could see that the size of organized retail has increased drastically with a whopping 36% almost, according to sources. From figure 2, it is evident that the disposable income of Indian hoi polloi has increased. Similarly, it is evident from figure 3, that the percentage of women employment has increased and the phenomenon of dual career is now experienced in India also. Recently (2014), the Indian government has allowed 51% foreign direct investment (FDI) in the India retail sector and shops to one brand shops only. This has made the entry of global retail giants to organized retail sector in India arduous. This is a major challenge being faced by the Indian organized retail sector. But the global retail giants like Wal Mart are entering the organized retail sector in India indirectly through franchisee agreement, Indian companies are also entering the organized retail sector like Reliance Industries Limited, Pantaloons and so on. The result is they are facing severe and stiff competition with these global giants and eventually discounting has become an accepted norm. All these are posing as challenges for the organized retail sector.

There is an urgent need for larger FDI because India is at a stage where it needs investments in technology, management policies to sustain and enhance its economic growth. The benefits of larger FDI are numerous. The benefits could be felt in areas pertaining to technological advancements, generation of exports, production improvements, and hastening of manufacturing employment. Indian industries are predominantly labor based but there is also a significant number of capital based companies. Therefore India can look forward to more professional and sophisticated number of workers and employees at each level. Another major HR opportunity due to larger FDI is that it will generate more and more employment opportunities. These opportunities are predominantly experienced in the manufacturing area. This not only includes the quality human resource but also provides for quick and efficient work and effective outcomes.

The retail business has two ends, viz the front end and the back end. While the front end comprises of the retailing, merchandising, customer servicing, displays, sales promotions, consumer promotions, retail marketing, the back end comprises of buyers, supply chain, store supply, accounts, warehousing etc. While both ends are equally important from the business angle, it is the back end which is the real profit churner. Therefore there is an urgent need to attract quality talent at the back end. From figure 4 attached at the end of the paper, it could be deduced that the back end operations have the largest share and therefore this opportunity should be leveraged and the back end operators should be trained rigorously so that they contribute substantially to the profits of the various organized retail companies. Likewise we can observe in figure 5 attached at the end, that the percentage of quality human resource is there (considering the meaty 36% of post graduates) but the percentage of graduates is still a meager 5%.

To recruit the right person, having the right skill and right temperament for the job it is very important that a sound job analysis is conducted. Employee recruitment and selection would be haphazard if the recruiter did not know the qualifications needed to perform the job. Lacking up-to- date job descriptions and specifications, a firm would have to recruit and select employees for jobs without clear guidelines, and this practice could have disastrous consequences. Some of the methods or strategies for conducting sound job analysis are job analysis schedule (JAS), functional job analysis (FJA), position analysis questionnaire (PAQ), management position description questionnaire (MPDQ), guidelines- oriented job analysis (GOJA).

3.1 Talent Attraction Strategies

For an effective talent attraction strategy, it is pertinent that the forecasting is done in an effective and result oriented manner. A few important human resource forecasting techniques are zero- base forecasting, bottom-up approach, predictor variables, simulation, requirements forecast, availability forecast, skills inventory, management inventory, succession planning, succession development and so on.

To do away with the superfluous and plateaued workforce, it is necessary that it is replaced at the right time. For this restructuring of the organization is a very crucial step which could be used in the organized retail sector. Also illegal attraction practices like poaching should be done away with, as they do not prove out to be effective in the long run, on the other hand they are deleterious for the health of the organization in the long run. Recent studies show that more than 80% of companies believe they are not maximizing individual and workforce potential of people, and the workforce being under- employed. Premature promotions to fix problems, lack of leadership pipeline, are other critical factors to be looked into.

Before forging an appropriate attraction policy (recruitment and selection), it is very important to know what attracts people to an organization. Perks , perquisites and handsome salaries definitely attract talented workforce but it is also the more subjective part of a job like job involvement, job satisfaction, workers' participation in management that have come to occupy a primal place in the whole process. Therefore there is an urgent need that these lacunae are filled and attraction strategies that fulfill these conditions are only forged. Thus it is very important to know your prospective employees' priorities and see whether your total reward package is in sync with these priorities or not.

GLOBAL JOURNAL OF ADVANCED RESEARCH
(Scholarly Peer Review Publishing System)

The other need is that the attraction strategies are research based. Also there should be a market mapping for talent and the attraction policies should not only be confined to the national boundaries but the international candidates should also be pulled towards the retail sector. This will not only impart the outfit a cosmopolitan tang but also there will be greater workforce diversity and mingling of different cultures leading to more innovative and out of the box ideas for the organization and the sector which thrives on the same.

Another attraction technique to employ skilled workforce could be put to use to modify the job descriptions and specifications in a manner as to attract only mature people. Therefore mature intakes and alumni of quality educational institutions should be there on the priority list of the organized retail sector.

Another important sourcing strategy could be to scan the external environment and know the company's competitors and their top talent. As already mentioned attracting talented workforce is must and if there is a talented candidate lying in the corner, then it will be pertinent to ask her what part of the recruitment process discourages her from saying "yes"? However, prompt goodwill should be adhered to as not to succumb to the unbridled temptations of poaching, which is deleterious not only from the viewpoint of corporate social responsibility, but also the mercantile missions and fitness of the concern in the long run.

Yet another important factor is to understand how the behavior of the manager of the company affects the attraction procedures of the company. If the manager is talking to the employees in a parent ego mode and his behavior is autocratic and despotic then the company could prove out to be a real deterrent for the prospective employee. At the same time if the employee is speaking with the child's ego then the prospective employee is sure to take him lightly and the manager has consequently painted a poor picture of the enterprise. Therefore it is the duty of the top management to psyche their managers with the right ego state (i.e. the adult ego) for attracting the right talent into the organization.

Another important factor is the need to develop the company's image/ brand and promote the industry. Various management designs can have a major impact on jobs and subsequent talent attraction procedures. Total quality management is one management design that focuses on continuous improvement of the processes that result in quality goods and services which eventually improve the brand image.

3.2 Retention Strategies

The various possible retention strategies could be:

1. It is important not to satisfy the employees of an organization rather engage them and develop strong engagement strategies. For example, it is important to recognize and give regular feedback on the right behavior. Then, the effort should be to focus on aligning plans, and managers should be developed into leaders.

2. Another important talent retention strategy is proactively ensuring brand image. It is because employees want to be proud of their company. This not only increases their job satisfaction but also ensures a higher degree of job involvement.

3. It is crucial to ensure clarity and alignment in terms of role, accountabilities and challenges for various employees working in an organization. Ambiguity pertaining to roles and accountabilities not only lead to an erratic and haywire state, but also an utterly confused and confounded workforce, eventually leading to a nebulous situation and the related set of goals.

4. Yet another important retention strategy could be that performance management for development should not only be just for financial rewards, but it will also be appreciable to establish career lifecycle planning of the employees.

5. It is also recommended to develop outstanding "on boarding" training and development programs. Quality coaching/mentoring programs could be developed as important HR strategies.

6. Flexible and competitive pay and benefit packages and reward performance needs to be ensured by the top management to its employees to retain quality talent.

7. Then another important HR strategy could be following 10:9 retention rule, which says every 10% improvement in commitment decreases an employee's probability of departing by 9%.

Various means to build employee commitment are:

- ❖ Job interest alignment
- ❖ People management processes
- ❖ Respect
- ❖ Manager quality

- ❖ Development opportunities
- ❖ Future career opportunities
- ❖ Ethics
- ❖ Total rewards
- ❖ Company reputation

Nonetheless it is always advisable to leave the door open and trace the footprints of insatiate departing, and conduct congenial and cordial separation interviews with the concerned employees to identify the loopholes in their outfit and take prompt remedial measures.

Skill and talent shortage is now part of generally every sector. In the organized retail sector where there is dearth of talented workforce, it is important that sourcing/recruiting authorities do not lower their standards in any case. And in a country like India which is an overwhelming pool of manpower, the need is to harness the potential of its people in the right direction and HIRE (or attract) the workforce and keep on cultivating their potential through proper training and development proper training and development programs, or TIRE (or retain) so that they put in their best for the development of this sector. Lastly, as already mentioned, the idea is not to satisfy the workforce but to keep it engaged in useful work.
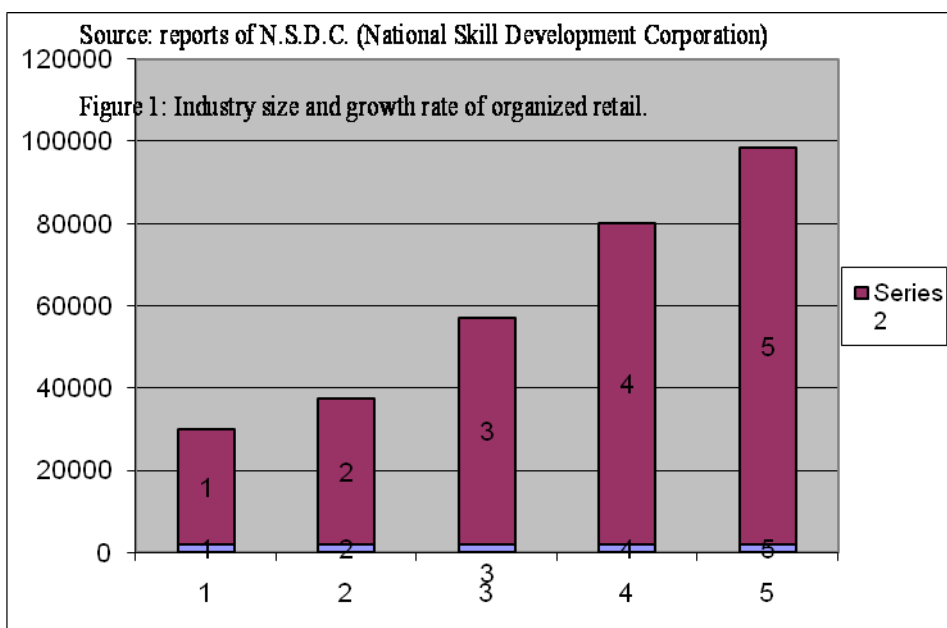
Figure 1: Industry size and growth rate of organized retail.
sources: reports of N.S.D.C. (National Skill Development Corporation)

GLOBAL JOURNAL OF ADVANCED RESEARCH
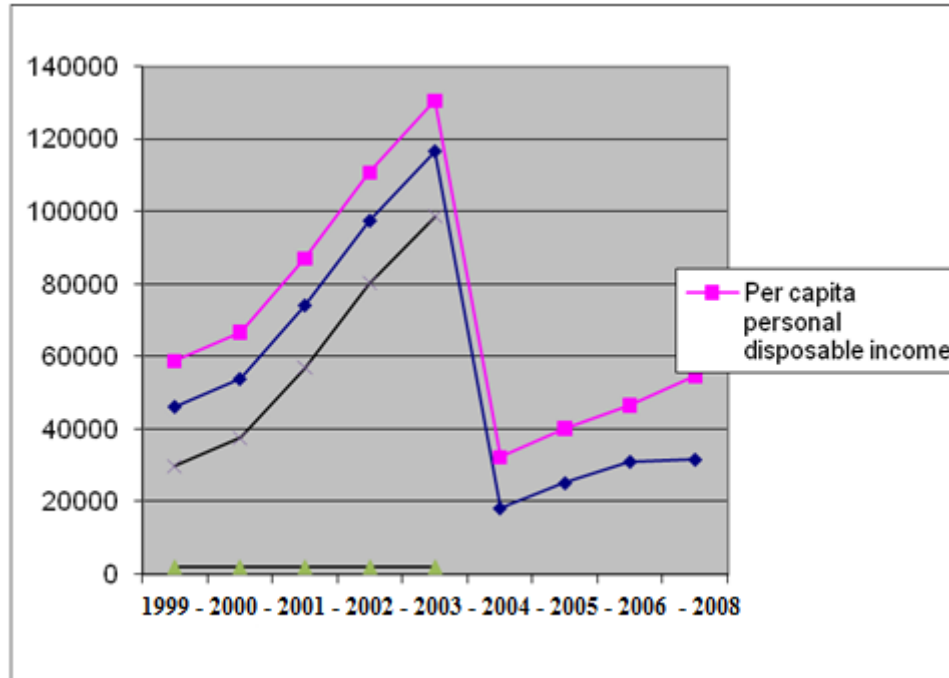*(Scholarly Peer Review Publishing System)*

Figure 2: Trends in Per capita Private Final Consumption Expenditure (PFCE) and Disposable Income (in Rs.)
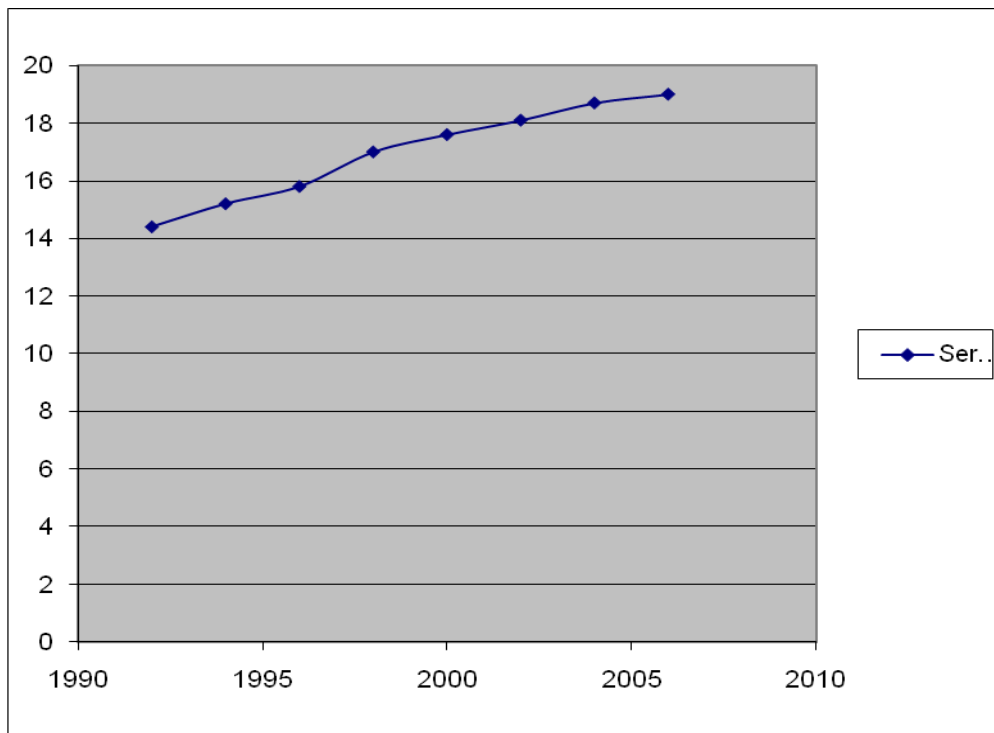**Sources**: reports of N.S.D.C. (National Skill Development Corporation)

Figure 3: Percentage share of Women Employment out of Total Employment in Organized sector.
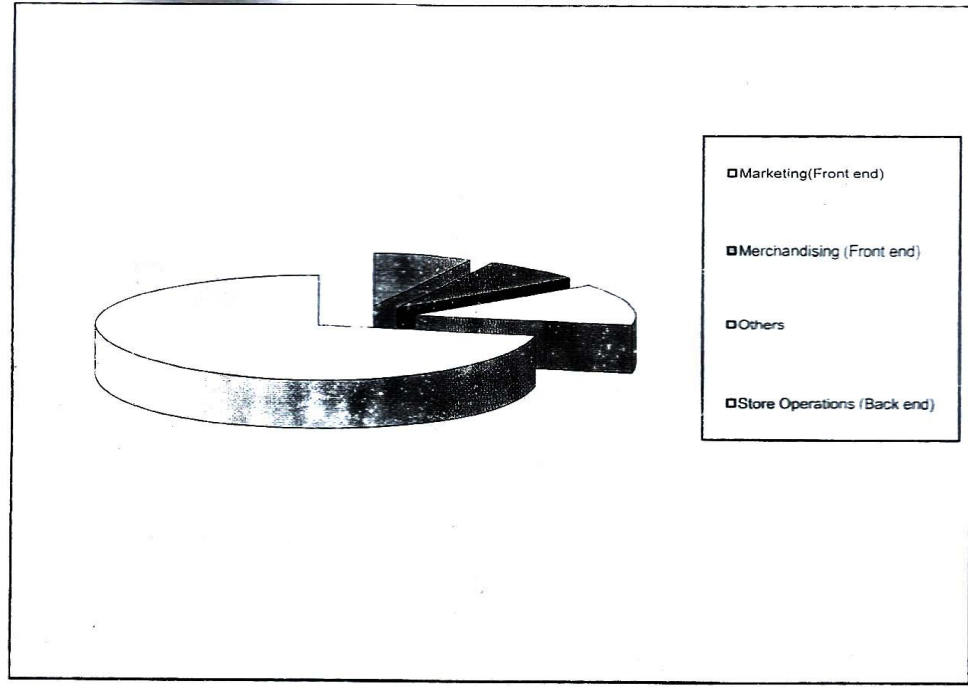**Sources**: reports of N.S.D.C. (National Skill Development Corporation)

Figure 4: Functional distribution of employment in organized retail.

Sources: reports of N.S.D.C. (National Skill Development Corporation)
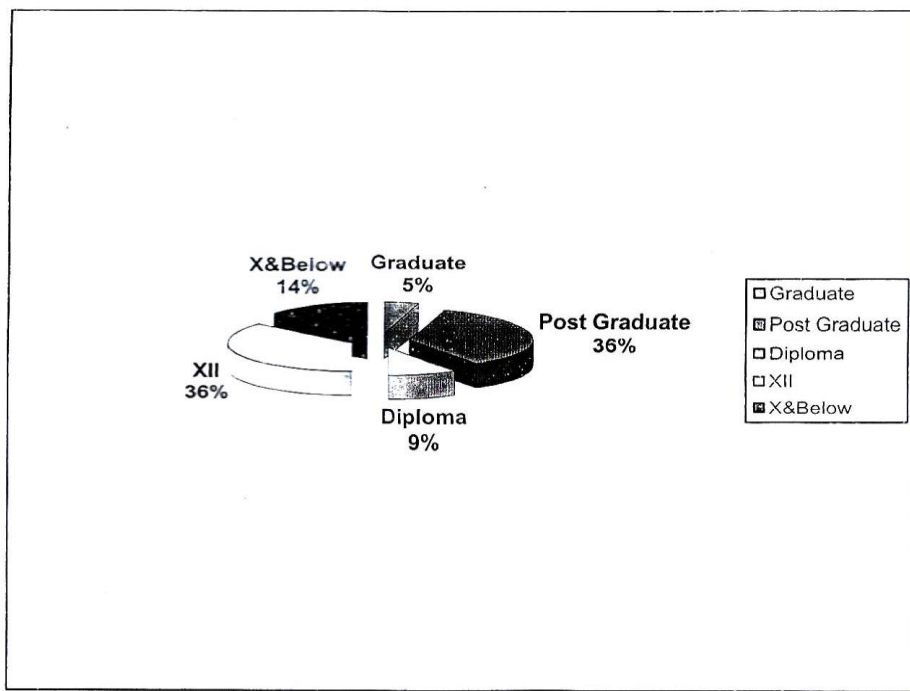
Figure 5: Distribution of human resource by education level.

Sources: reports of N.S.D.C. (National Skill Development Corporation)

GLOBAL JOURNAL OF ADVANCED RESEARCH
(Scholarly Peer Review Publishing System)

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