A Study of Impact of HRM Practices on Effectiveness of Employees' Performance in Retail Sector

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Abstract

In the swiftly changing and highly competitive business environment, the HR function plays an increasingly pivotal role in an organization's growth and success or failure. In the past, where success was dependent upon an organization's ability and strength to discover and manage natural resources and manufacturing technologies, however, today it goes to the organizations that most effectively discover, recruit, and manage their human resources. Leading the people is not just for creating a "feel good" atmosphere all around, it is about infusing the right attitudes and behaviors required for winning at marketplace.
Keywords*: Human Resource Management, Retail Sector, Organized Retailing, HRM Policies and Practices.*

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1. INTRODUCTION

Some special terms as globalization, personnel management, and value-based management dominate the current discussion of management in retail sector. There has been an established truth that efficient and well-trained employees are company's key assets. Retail selling means dealing and serving customers in a direct and personal way. This forces for special actions from retail companies to fulfill the demands of an increasing number of well-informed and sophisticated buyers. In view of all the changes in both national and international contexts, it is essential to have the efficient work force if a business wants to be successful and sustainable.

Retail sector is a labor-intensive sector. Therefore, companies are continually challenged to re-organize and adapt their structures to become more efficient. The necessity for part-time workers, because of long store opening hours and peaks in the trading day/week, requires a flexible framework to optimize labour processes. Emotionally, the workforce needs orientation and vision in changing times. Human resource management (HRM) has to provide a "coach," not only to organize, but also to support employees and management mentally and professionally in fulfilling their tasks in terms of future company goals. People are the driving force behind all transactions that occur in retailing outlets. In the future world of retailing, there will be an increasing need to adapt and change towards a more formative and proactive style of HRM.

2. LITERATURE REVIEW

In developed and emerging countries, Attraction and retention of employees is of the most desired practice and competence of the high performance organizations. Search for best talent will be very difficult in coming years. Retention can be possible by many ways but one of the most used in organizations is paying more than they are earning.

D. Maheswara Reddy and Suresh Chandra(2011) From the study it was found that, right from new hire to orientation period, there are many differences in the implementation of HR practices in the selected organized retailers. The satisfaction levels of various performance appraisal measures adopted in the selected retail outlets showed that the employees are not only favoured to the incentive plan but also the healthy environment and close relations between the peers are playing vital role for their performance.

Lawler III (2005) stated that in these days organizations are competing for talent rather than counting employees loyalty. They are focusing on attracting, hiring, and retaining the required talented persons. For this purpose, organizations must utilize those practices, which are in favor of both employees and employers leading them towards higher performance levels.

Friedman (2007) explained that new comers in the organization did not take much time to decide whether to proceed with the current organization or quit to and find some other workplace and this decision normally is made in few days or week after appointment.

Gentry et al., (2007) argued that employees feel connected with the organization if they get support from their supervisors, which lead them to return the favor to the supervisors, and organization through retention.

Select references pertaining to the research papers on HRM practices in organized retailing are presented here.

Ashok Som (2006) in the paper titled "Bracing for MNC competition through innovative HRM practices: The way ahead for Indian firms" has concentrated on the emergence of Multinational companies in the organized retailing in India. Further, the paper has concentrated on the impact of MNC competition on Indian retail firms. The author has supported the need for innovative HRM practices by the Indian firms to tackle with the competition from Multinational companies. The author has concluded that unless the Indian firms implement innovative HRM practices, the MNCs will tap the market and this will become a huge threat to the future development of growth by the Indian retail firms.

Chakraborthy D. (2007) in the article titled 'Indian Retail sector – HR challenges' has critically examined the practices of human resources for the management of retail organizations. The article has analyzed the evolution and growth of Indian retail sector with special reference to organized retailing. The article has further focused on the emerging dimensions in retail sector with a special focus on HR challenges.

Singh B.D. et al.(2008) in their study on HR challenges in Indian retail sector has revealed that rising retail industry in India is especially providing great scope and challenges to the HR front. Further, the study evaluated that the growing industry requires many strong back up of Human Resources hence the HR department must act pro-actively to attract, nurture and retaining trained manpower.'

Chapman (2009) explained that it is the responsibility of senior employees to help new employees to familiarize and socialize with the environment of the organization and make them best fit for the organization.

B.B.Lakshete (2011) in the article titled "Human Resource Management in Retailing" studied on the scope of HRM in retailing sector. Further, the paper also focused on the challenges and usefulness of HRM in retailing. The paper concluded that HR challenges when taken care of by the organization are bound to make a difference to the organizational success.

3. RESEARCH GAP

In India, sudden and unprecedented growth in organised retailing poses a challenge to human resources development. Therefore, it would be useful to look at the dimension of human resource practices in retail industry, emerging requirements and challenges and measures to improve work atmosphere in Indian scenario.

It has been observed that maximum of the earlier researcher had focused and emphasized only on the employer side reflections of the HR policies and practices.

After detailed analysis researcher found a gap that challenges and impact of the HR policies and practices towards the employees of retail sector. Moreover, there is any study covering all the aspects of HR policies and their impact on the employees' performance and satisfaction. Therefore, there is enough scope of the research in this area.

4. RESEARCH QUESTIONS

a. How do the socio and demographic factors affect the performance?
b. What are the various HR practices followed by the organizations?
c. Whether HR and organizational practices affect employee retention?
d. Which are the various problems and challenges ahead for HR managers in the implementation of HRM practices in retail outlets?
e. What is employees' perception towards motivational process implemented in retail organizations.

5. RESEARCH OBJECTIVES

The *main objective of the research is to study the human resource management practices pursued in the retail stores.* Other objectives of the research are:

a. To study the retailer wise employee satisfaction on the various HRM practices employed in the retail outlets.
b. To know the various source and method of recruitment.
c. To study the skills requirements for executives.
d. To study whether HR and organizational practices affect employee retention.

6. HYPOTHESES

Hypotheses 1: There is no significant association between Education level and Job profile of the respondents.

Hypotheses 2: There is no significant association between Effective mode of **Motivation** and overall satisfaction with the job.

Hypotheses 3: There is no significant association between Mode of **Promotion** and overall satisfaction with the job.

7. RESEARCH METHODOLOGY

The present research is an empirical one. The survey for the present research is conducted through primary data with the help of a questionnaire surveyed to employees of select organized retailers. The sample taken for the study consisted of 100, which include employees from the select retail outlets situated in Ghaziabad Distt.

8. SAMPLE SIZE

100 respondents out of which 60 are male and 40 female. For data collection random sampling has been adopted on the ground of cost and time effectiveness.

9. DATA COLLECTION

The research is Empirical and Exploratory in nature. Since the research is exploratory in nature, the appropriate research strategy has been research survey. The present study is mainly based on the primary data has been collected with the help of structured questionnaire and interview. The necessary data for this study has been collected through an interview schedule by directly approaching the respondents with the help of structured questionnaire and other relevant data has been collected from some secondary and tertiary sources.

Both types of data i.e., secondary and primary data have been used in the present study. The secondary data was collected at first form the textbooks, previous research reports, newspapers, magazines and journals.

10. RESULTS AND ANALYSIS

Demographic analysis of the Respondents

Table 1: Demographic characteristics of respondents

Variables		Frequency	Percent (%)
Gender	Male	60	60%
	Female	40	40%
Age Group	Below 25 years	35	35%
	25-30 years	33	33%
	30-40 years	19	19%
	Above 40	13	13%
Educational Status	SSC/ 12th	27	27%
	U. G.	48	48%
	P.G.	25	25%
Marital status	Married	65	65%
	Unmarried	35	35%
Designation or Job Profile	Sales Executive	40	40%
	Team Member/ Leader	23	23%
	Store Manager (SM/ASM)	10	10%
	Management Trainee/ Trainee	17	17%
	Cashier / Accountant	10	10%
Salary / Remuneration per month	Up to Rs. 15,000 p.m.	39	39%
	Rs. 15,000-30,000 p.m	30	30%
	Rs. 30,000-50,000 p.m	21	21%
	Above Rs. 50,000 p.m	10	10%

Source: Based on Primary

Interpretation

Above table is showing that 60% of the respondents are male, about 68% (35+33) respondents belong the age up to 30 years, majority of the respondents about 65% are married; about 63%(40+23) respondents are related to the sales or marketing group and majority of the respondents about 69%(39+30) are getting salary up to 30,000 Rs. per month.

Hypotheses 1: There is no significant association between Education level and Job profile of the respondents. Cross tabulation

Table 2: Cross tabulation

Designation or Job Profile	Educational Qualification			Total
	1 SSC/12th	2 Under Graduate	3 Post Graduate	
1 Sales Executive Count	**9**	**21**	**10**	**40**
% within Designation or Job Profile	22.5%	52.5%	25.0%	100.0%
% within Educational Qualification	33.3%	43.8%	40.0%	40.0%
2 Team Leader / Member Count	**6**	**11**	**6**	**23**
% within Designation or Job Profile	26.1%	47.8%	26.1%	100.0%
% within Educational Qualification	22.2%	22.9%	24.0%	23.0%
3 Store Manager (SM/ASM) Count	**4**	**2**	**4**	**10**
% within Designation or Job Profile	40.0%	20.0%	40.0%	100.0%
% within Educational Qualification	14.8%	4.2%	16.0%	10.0%
4 Management Trainee/ Trainee Count	**7**	**8**	**2**	**17**
% within Designation or Job Profile	41.2%	47.1%	11.8%	100.0%
% within Educational Qualification	25.9%	16.7%	8.0%	17.0%
5 Cashier / AccountantCount	**1**	**6**	**3**	**10**
% within Designation or Job Profile	10.0%	60.0%	30.0%	100.0%
% within Educational Qualification	3.7%	12.5%	12.0%	10.0%
Total Count	**27**	**48**	**25**	**100**
% within Designation or Job Profile	27.0%	48.0%	25.0%	100.0%
% within Educational Qualification	100.0%	100.0%	100.0%	100.0%

Based on Source: Primary Data

Table 3: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	**7.576(a)**	**8**	**.476**
Likelihood Ratio	8.264	8	.408
Linear-by-Linear Association	.181	1	.671
N of Valid Cases	100		

a 8 cells (53.3%) have expected count less than 5. The minimum expected count is 2.50.
Based on Source: Primary Data

Interpretation

Table 2-3 showing the association between **Education level and Job profile** of the respondents. Pearson Chi-Square(X^2) value is **7.576** and the degree of freedom **(df)** is **8**. At the 5 % level of significance the table value is **15.507**. The resulted will be reported as:

Since the Chi-Square(X^2) value is **7.576<15.507** table value, therefore, the above hypothesis 1 (**H$_0$**) is correct or accepted *i.e.* There is no significant association between **Education level and Job profile**. *In other words, we can say that Education level and Job profile variables are independent from each other.*

Hypotheses 2: There is no significant association between Effective mode of Motivation and over all satisfaction with this job.

Table 4: Effective mode of Motivation * Are you over all satisfied with this job? Cross-tabulation

Effective mode of Motivation		Are you over all satisfied with this job?					Total
		1 Very much satisfied	2 Satisfied	3 Satisfied to some extent	4 Dissatisfied	5 Very much dissatisfied	
1 Salary Increment	Count	7	13	10	2	4	36
% within Effective mode of Motivation		19.4%	36.1%	27.8%	5.6%	11.1%	100.0%
% within Are you over all satisfied with this job?		46.7%	28.3%	58.8%	14.3%	50.0%	36.0%
2 Commission on Sales	Count	0	23	0	0	0	23
% within Effective mode of Motivation		.0%	100.0%	.0%	.0%	.0%	100.0%
% within Are you over all satisfied with this job?		.0%	50.0%	.0%	.0%	.0%	23.0%
3 Annual Bonus	Count	3	2	6	0	0	11
% within Effective mode of Motivation		27.3%	18.2%	54.5%	.0%	.0%	100.0%
% within Are you over all satisfied with this job?		20.0%	4.3%	35.3%	.0%	.0%	11.0%
4 Special leave or holidays	Count	3	1	0	9	1	14
% within Effective mode of Motivation		21.4%	7.1%	.0%	64.3%	7.1%	100.0%
% within Are you over all satisfied with this job?		20.0%	2.2%	.0%	64.3%	12.5%	14.0%
5 Less working hours	Count	1	5	1	0	3	10
% within Effective mode of Motivation		10.0%	50.0%	10.0%	.0%	30.0%	100.0%
% within Are you over all satisfied with this job?		6.7%	10.9%	5.9%	.0%	37.5%	10.0%
6 Medical facilities	Count	1	2	0	3	0	6
% within Effective mode of Motivation		16.7%	33.3%	.0%	50.0%	.0%	100.0%
% within Are you over all satisfied with this job?		6.7%	4.3%	.0%	21.4%	.0%	6.0%
Total	Count	15	46	17	14	8	100
% within Effective mode of Motivation		15.0%	46.0%	17.0%	14.0%	8.0%	100.0%
% within Are you over all satisfied with this job?		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Computation based on the basis of Primary Data

Table 5: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	**95.340(a)**	**20**	**.000**
Likelihood Ratio	94.754	20	.000
Linear-by-Linear Association	3.870	1	.049
N of Valid Cases	100		

Source: Based on Primary Data

a 23 cells (76.7%) have expected count less than 5. The minimum expected count is .18

Interpretation: Table 4-5 showing the association between **Effective mode of Motivation and overall satisfaction with the job**. Pearson Chi-Square(X^2) value is **95.340** and the degree of freedom **(df)** is **20**. At the 5 % level of significance the table value is **31.410**. The resulted will be reported as:

Since the Chi-Square (X^2) value is **95.340>31.410** very high from the table value, therefore, the above hypothesis 2(H_0) is wrong or rejected *i.e.* There is highly significant association between **Effective mode of Motivation and overall satisfaction with the job**. *In other words we can say that variables are not independent of each other i.e. Effective modes of Motivation have an highly positive impact on overall satisfaction with the job.*

Hypotheses 3: There is no significant association between Mode of Promotion and overall satisfaction with this job.

Table 6: Are you over all satisfied with this job? * Mode of Promotion Cross tabulation

Are you over all satisfied with this job?	Mode of Promotion				Total
	1 Seniority	2 Merit/ Performance	3 Both seniority & Performance	4 No promotion	
1 Very much satisfied Count	**4**	**2**	**6**	**3**	**15**
% within Are you over all satisfied with this job?	26.7%	13.3%	40.0%	20.0%	100.0%
% within Mode of Promotion	13.8%	6.1%	26.1%	20.0%	15.0%
2. Satisfied Count	**14**	**18**	**6**	**8**	**46**
% within Are you over all satisfied with this job?	30.4%	39.1%	13.0%	17.4%	100.0%
% within Mode of Promotion	48.3%	54.5%	26.1%	53.3%	46.0%
3 Satisfied to some extent Count	**4**	**7**	**4**	**2**	**17**
% within Are you over all satisfied with this job?	23.5%	41.2%	23.5%	11.8%	100.0%
% within Mode of Promotion	13.8%	21.2%	17.4%	13.3%	17.0%
4 Dissatisfied Count	**6**	**3**	**4**	**1**	**14**
% within Are you over all satisfied with this job?	42.9%	21.4%	28.6%	7.1%	100.0%
% within Mode of Promotion	20.7%	9.1%	17.4%	6.7%	14.0%

5 Very much dissatisfied Count	**1**	**3**	**3**	**1**	**8**
% within Are you over all satisfied with this job?	12.5%	37.5%	37.5%	12.5%	100.0%
% within Mode of Promotion	3.4%	9.1%	13.0%	6.7%	8.0%
Total Count	**29**	**33**	**23**	**15**	**100**
% within Are you over all satisfied with this job?	29.0%	33.0%	23.0%	15.0%	100.0%
% within Mode of Promotion	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Based on Primary Data

Table 7: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	**11.101(a)**	**12**	**.520**
Likelihood Ratio	11.754	12	.466
Linear-by-Linear Association	.175	1	.676
N of Valid Cases	100		

Source: Based on Primary Data

a 15 cells (75.0%) have expected count less than 5. The minimum expected count is 1.20.

INTERPRETATION: Table 6-7 showing the association between Mode of Promotion and overall satisfaction with the job. Pearson Chi-Square(X^2) value is **11.101** and the degree of freedom **(df)** is **12**. At the 5 % level of significance the table value is **21.026**. The resulted will be reported as:

Since the Chi-Square(X^2) value is **11.101<21.026** table value, therefore, the above hypothesis 1 **H0** is correct or accepted *i.e.* there is no significant association between Mode of Promotion and overall satisfaction with the job. ***In other words, we can say that Mode of Promotion and overall satisfaction variables are independent from each other.***

12. FINDINGS OF THE STUDY

The human resource management practices are playing vital role for the growth or success of any business. The HR practices have anticipated dependence on the organized retailers. From the study, it was found:

1. **Motivation :** Result of the hypothesis 2 shows that the motivation policies have a great impact on the satisfaction level of the employees. The majority of the respondents want the increment in salary and commission on sales as way of motivation. Only few are interested in other modes as special leave or holidays and reduction in working hours. Therefore, the financial benefits are most effective mode of motivation.

2. **Promotion :** Result of the hypothesis 3 shows that the majority of the respondents stated that the important thing is to get promotion and no matter what is the basis of promotion. They are ready and motivated to work hard if their workings are appreciated and they got promotion**.**

The satisfaction levels of various performance appraisal measures adopted in the selected retail outlets showed that the employees are not only favored to the incentive plan but also the healthy environment are playing vital role for their performance.

13. SCOPE FOR FURTHER RESEARCH

This study is subject to a number of limitations and provides scope for further research. Major limitation is the sample size of 100 respondents may not represent the universe fully. Self-reported data of respondents was used. A potential survey bias could not be excluded since respondents' perception and answers are not necessarily objective. There is scope for further research with other districts and states with different sample size to identify the actual status of the retail sector and HR practices adopted. The research also recommends that a deep study should be carried out to establish the challenges encountered while implementing the HR policies among its employees and their possibility to effectively perform. Different types of business sector or modes can be taken as research area to have a depth study and a wider perspective of impacts of HR policies.

14. CONCLUSIONS

The effective management of people in organization is a driving force in the process that enhances the achievement of a competitive advantage that sets the organization ahead of others. Since, the human resources of the organization create value; the manager needs to understand the fundamental issues concerned with acquisition, development, motivation, and retention of effective people in organization to deliver results. The appropriate HR strategies that can be adopted to drive optimum value from employees of an organization range from proper selection of the right people through an effective recruitment program. Employee motivation policies must be prepared as they effect on the decision to remain with the organization for the long time and the management should focus on the improvement of organizational rewards system.

Employees are the most important assets for any organization. Therefore, the organization must ensure that the right person is hired for the right position at the right time and he is trained and developed properly to accomplish his job activities effectively. Employees in the retail sector are required to be trained according to the demands of the industry. Due to competitive scenario prevailing the jobs are becoming challenging and skilled workforce is required to meet the demand. The graduates and postgraduates are trained for the job and conversion for the skilled workforce. From the survey it is found that employees are job satisfied and committed to their jobs. The commitment increases the performance of their employees and hence productivity of the organization.

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