



### **A booming Indian retail sector means more challenges for HR.**

As per the Federation of Indian Chamber of Commerce and Industry (FICCI) the size of domestic retail sector is expected to more than double to \$1.3 trillion by 2020. From an industry perspective it's the growth in the organised retail which interest many. If overseas investment is allowed in this sector then it'll further see a growth rate in excess of 20 per cent. This is great news for the employment industry in India.

Many international retailers have already entered India and more are on the way. This calls for companies in the sector to realign their strategies so as to meet the changing market dynamics. Needless to say HR has an important role to play. So much that organisations today are more open to engage with HR consultants in achieving their growth strategy.

Direct customer interaction makes many HR challenges specific to the retail sector. So you have issues related to high employee turnover, diverse workforce, and seasonal demand. As the market size increases so would these challenges.

The biggest problem that many organisations face is hiring for the growth phase at lower levels. They have either downsized their front-end operations or employees have moved out. The onus on HR will be to recreate a skilled set of people for the job. More opportunities will come up for those who understand a customer centric business well. The commission-based remunerations are also making a comeback for some retailers.

Companies invest a lot in hiring people. This makes employee retention an important part of any HR strategy. The difficulty is in finding the right balance in any approach. Money excites freshers whereas experienced staff looks for stability and growth. Compensation benefits should also look at service period and resettlement and rehabilitation.

At the entry level there is a mad rush of incumbents pouring in from Tier 2 or Tier 3 cities to lap up opportunities in this sector, yet the stickiness level of these incumbents is very disheartening for the HR fraternity. The situation hence calls for a comprehensive and tightly packaged "Employee Engagement Frame Work", else sooner than later high attrition trends will lead to a work force which is high on cost yet low on both skill as well as motivation. Therefore, planning their recruitment numbers, the quintessential retail HR champion has to buckle down and prepare an 'engagement strategy' which is exciting, cost effective and at the same time smooth enough to dove-tails into the organisation's succession planning agenda.

Recruitment companies are set to work more closely with clients for better results. The simple

## HR trends and challenges driving retail in India

Written by Inam Abidi Amrohvi  
Tuesday, 05 February 2013 14:01

---

sourcing of candidates is likely to give way to a more inclusive approach involving tests like psychometric.

The demand for temporary sales staff is likely to continue. Companies usually rely on agencies to provide the required manpower for sudden surges in demand as during festival times. Instead a better approach would be to allocate a fixed number of working hours for the entire year; so the staff work longer during peak season and less during quieter times. This also helps get away with the need for seasonal staff.

With FDI being allowed the attrition rates in retail could further go up. As such, many organizations would look at providing work life balance in addition to higher growth opportunities.

Employee frequently complain of their tiring schedule. People working for long hours tend to get less sleep and as such their productivity goes down. The blackberries of the day have compounded the problem further. Calling people late may work for a while but the company would eventually lose on quality work and employee loyalty. 'flexi-timing' is one approach to make people more productive and loyal.

Recreational activities on the job or on a day off were hit hard during the tough economic times. They should come back as the market conditions improve.

Outsourcing of HR related activities would increase as more organisations realise the benefits in terms of reduced costs and increased efficiency. The scope of outsourced activities is also bound to expand.

L&D (learning and development) would continue to play an influential role in employee retention. A more structured career path can be created so as to equip people with necessary skills, for example, an existing employee who can contribute to sales can be identified and trained.

The L&D trends have to be augmented to suit the industry requirement. For far too long the L&D function has dabbled with the traditional ILT (Instructor Led Training) route to address the learning requirement. It's time to relook both at the learning content and the medium of instruction. Perhaps it would be better to slice off portions and embed them into your LMS (Learning Management System) through a refreshing e-Learning content, so that a part of the curriculum is self-paced, exciting, and cost effective at the same time. This also help in balancing the number of trainers so that you are not over staffed during expansion.

Recruitment many a times is driven by the numbers alone as the pressure of opening a store from the peoples point of view often drives the Talent Acquisition wing to adopt practices which they would themselves discourage in quieter times. Yet the mad scramble for numbers pushes them to recruit at times with their eyes wide shut.

Perhaps it is time to re-jig the recruitment process and ensure that the training operations and recruitment teams break down their water tight compartments and approach the entire schedule

## HR trends and challenges driving retail in India

Written by Inam Abidi Amrohvi  
Tuesday, 05 February 2013 14:01

---

judiciously as a single entity with perhaps different point of views and hence more ownership.

As in other areas, HR too is seeing increased use of technology to automate processes. The demand for WFMS (Work Force Management System), LMS (Learning Management System), or even a complete HRMS (Human Resource Management System) is more than ever. It makes business sense to put the packages to good use.

The ubiquitous mobile devices of the day are more powerful and capable than ever. They are gradually replacing notebooks at workplace. Mobile learning solutions in such a scenario makes lot of sense. Many companies have already adopted E-learning and M-learning strategies to empower their workforce with better skills. M-learning is going to be the focus area for training related activities. Both because of the geographical reach, and its ease and effectiveness as a learning medium.

Open-book Policy is a recent trend of getting people involved in the business. They way to go about is by making business information 'open' and helping employees to use the company 'policy' and other related information for the betterment of the organization. The idea may pick up steam later if not anytime soon.

High employee turnover also means investment in developing talent internally. Unfortunately there are organizations who rather 'buy out' talent. It hurts organisations when skilled people leave in hordes. This is a pain area for HR and needs new strategies to counter such situations.

Overall the industry is slowly moving towards a single vendor solution. So the entire gamut of HR related activities involving large recruitments, learning and development, and automation of the entire process, would be offered under a single umbrella. This way processes and activities would be better managed by holding one body accountable.

### **Co-authors:**

***Inam Abidi Amrohvi, Chief Sales Evangelist, HR***

***Ahmad Mehdi, Learning Solutions Architect, HR Straight***

(The article was first published by [Retailers Association of India](#) )