

Improving Employee's Performance through Performance Appraisal in Retail Sector

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ABSTRACT : Globalization is a dynamic activity which has covered all the sectors of the industries for successful accomplishment of goals and objectives. The competent human resource is required to adjust the complex global environment which in turn will help to reduce employee turnover in the retail sector. Thus, in the retail sector the training and development has a significant role to play, especially in marketing the products and meeting customer demands. Training is widely used in retail sector to develop employee skills to sale product. It has been practiced more nowadays in retail sector due to modern technology and changing standard of living amongst customers. In training, right person is trained and placed for the right activity. In this sector, skilled retail, professional with total awareness, knowledge of workplace and personal grooming are highly essentials for the growth of the company. The study was carried in organized retail sector i.e., the shopping malls of Bhopal. This research was conducted on 30 executives in the retail sector. The paper focuses upon meeting challenges of next decade in retail sector through the training and development, which will cultivate, train and develop effective workforce for the competitive world.

KEY WORDS: Training, Development, Human Resource, Employee Performance, Retail Sector

I. INTRODUCTION

Retail Sector is growing as a primary light industry in India and is presently the most important employer after agriculture. With increased Retail Outlets, nowadays, requirement of trained employees is important to build customer loyalty for customer satisfaction. Main aim of training and development is to make employee perform well, especially Sales Executive. There is a need for constant training and development program for right employee training, development and education. It provides big payoffs for the employer through increased productivity, knowledge, loyalty, and contribution i.e. general growth of the firm. Training & Development can meet the challenges of next decade in retail sector, Operational personnel, employed within the organization's main business functions, like production, maintenance, sales, marketing and management support, must also direct their attention and energy from time to time towards supporting training development and delivery. However, investment in training and development is usually considered good management practices to take care of appropriate expertise now and within the future. Training & Development is a programme which is carried by well-experienced trainer to make fruitful contributions to organization.

Training is a continuous process which involves development of human resource. Training is also an important part of retail sector. Training & Development encompasses three main activities- training, education and development. It is a learning process that involves the acquisition of data, sharpening of skills, concepts rules or changing of attitudes and behaviors to reinforce the performance of employees. Training is about knowing where we stand at present and where we will be after some point of the time. Training is about the acquisition of knowledge, skills and ability (KSA) through professional development. Training needs arises when inducting new employees or staff into the organization, training of sale staff, as they are the persons who are in direct contact with the customers and training of staff /personal for skill enhancements. In retail sector, special importance is given to the training of the sales staff, as it is termed as the face of the organization.

Training needs= Job Requirement= Employees jobs skills.

The retail sector has different attitudes of employees which ensure reduced turnover rate. These attitudes include employee loyalty and commitment with company, employees' willingness to take a position time in company, career development opportunity in company etc. In addition, the affects of training on increasing these factors resulted in reducing turnover amongst employees. Training is the best method to increase employee turnover and retention.

The current rate of employee turnover is about 4-6 %. To increase employee retention retail organisations strive to endorse a feeling of well-being in employees through care and respect. The sector have several structured processes including employee mentoring and grievance management programmes which are intended to facilitate a friendly and cohesive organization culture. Off-site activities are encouraged to improve inter-personal relationship. Employees are given training for 20 days or for one month in a year spread over different periods. The company constantly launches and refreshes initiatives that contribute to happier, more productive talent.

II. LITERATURE REVIEW

Study of Mobley et al. (1979) offered moderate support for a negative relationship between satisfaction with supervision and turnover (i.e. the higher the satisfaction with supervision, the lower the turnover). Giunipero et al. (2008) studies support the impact of human resource management (HRM) policies and practices on firms performance in the field of human resource management, industrial relations, and industrial and organisational psychology (Boudreau 1991, Jones & Wright 1992, Kleiner 1990). Lee and Corey (1995) stated that SCM consists of the integration activities taking place among a network of facilities that procure raw material, transform them into intermediate goods and then final products, & deliver products to customers through a distribution system. According to Guthrie (2001) the use of high performance work practices can improve the knowledge, skills, and abilities of a firm's current and potential employees, increase their motivation, reduce shirking, and enhance retention of quality employees. Jones & Wright (1992). Show that retailers achieve their financial objectives by effectively managing their five crucial resources: their location, merchandise inventory, stores, employees and customers. Human resource manamegent (HRM) is particularly vital in retail sector as they are labour intensive like service sector. HRM can be the basis of a sustainable competitive advantage for the following three reasons.

Objective of the study

The main objective of the study is to identify the challenges of the decade in retail sector with special reference to Bhopal.

Therefore to achieve the primary objective some secondary objectives are prepared. These are;

- Employee Satisfaction and employee retention in the retail sector.
- Effect of training on employee's turnover in retail sector.
- Training and development strategies in the next decade for human resource in the retail sector .
- Impact of training in the performance appraisal of the employees.

Research Methodology : The research was descriptive in nature and uses convenience purposive sampling. Sample size was 90. The source of data collection was primary and secondary. Primary data was collected from retail stores which includes the following:

Sr.no.	Retailer's
1	Reliance
2	V-Mart
3	Big Bazar
4	Vishal Megha Mart
5	Best Price

Secondary data was collected from the past data, reports published, journals. The data collection was done using questionnaire.

Data Analysis and Interpretation

Training requirements of the executives—

Sr. No	Training requirements	No. of executives
1	Excellent communication skills	30
2	Flexibility	06
3	Ability to work under pressure and deadlines	15
4	All the above	39

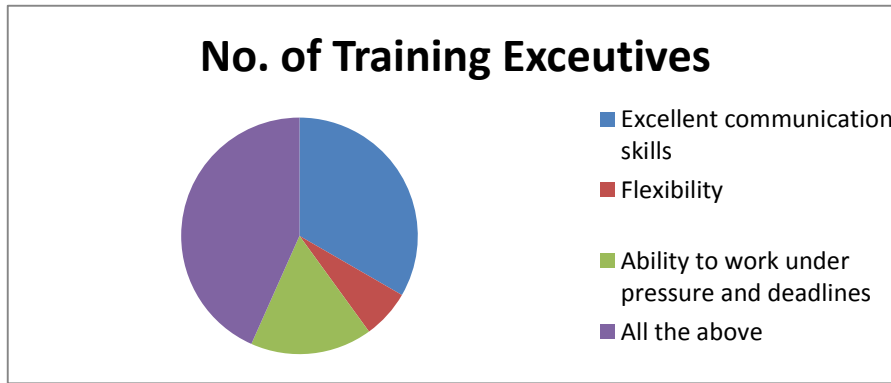


Figure -1 Training Executives

Satisfaction level of the executives

Sr. No	Satisfaction level of requirements	No. of executives
1	Below 50%	10
2	50%-75%	26
3	75%-100%	36
4	100%	18

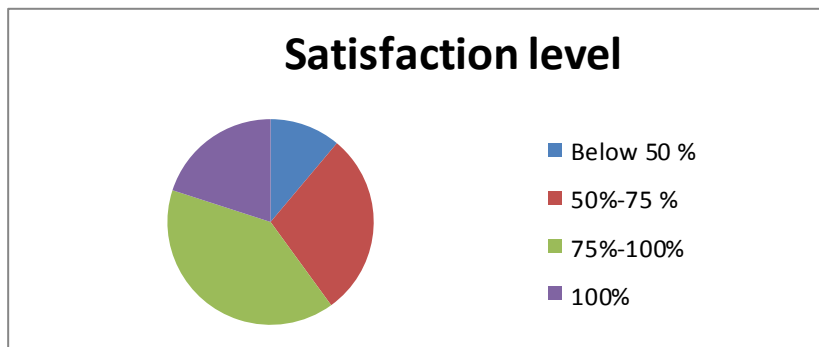


Figure -2 Satisfaction Level of Executives

Salary profile of the executives

Sr. No	Salary	No. of executives
1	Below 20,000	06
2	20,000-30,000	15
3	30,000-40,000	15
4	40,000-50,000	24
5	Above 50,000	30

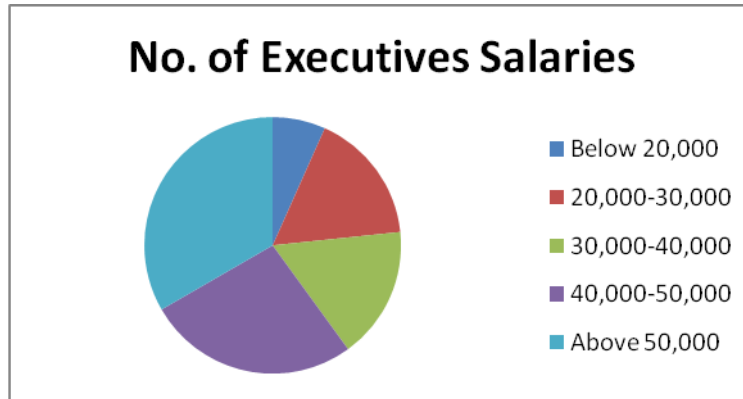


Figure -3 Executives Salaries

Competency profile of executives

Sr. No	Competency Profile	No. of executives
1	Market Awareness	36
2	Product Knowledge	24
3	Leadership	18
4	Motivation	12

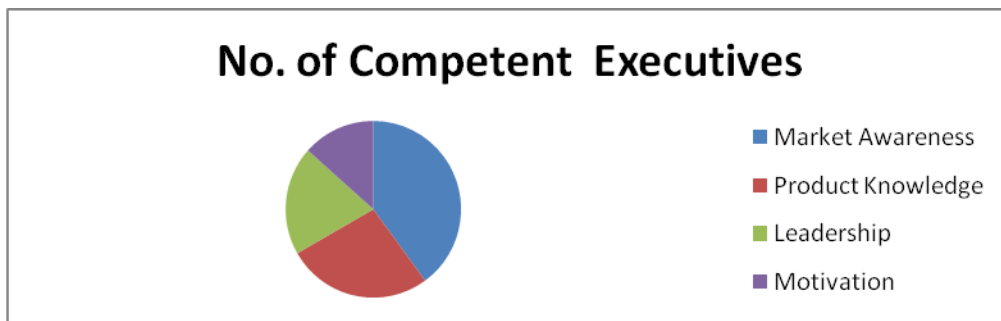


Figure -4 Executives Competencies

Retention level of executives

Sr. No	Retention level	No. of executives
1	Below 25 %	36
2	25%-50%	30
3	50%-75%	15
4	75%-100%	09

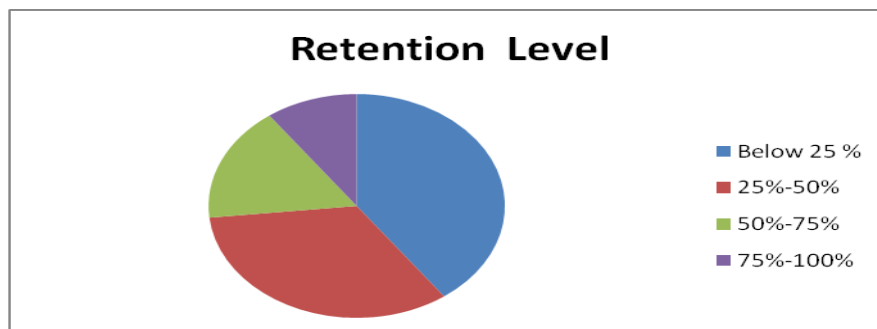


Figure -5 Executives Retention level

Findings of the study : Training is required for getting the employees comfortable with companies products, They became comfortable in talking to strangers and getting them to notice their body posture. The foundation of successful retail sales training is a thorough knowledge about what is being sold. When not fully familiar with a product, customers expect a salesperson to help them. Knowledgeable staff build trust, and trust makes sales better thus increasing repeat customers. Skills for effectively communicating information include things as using a professional, tone of voice, clarity in expression, proper type of eye contact, remembering not to over-talk or interrupt. Through listening, more is learned about the customer and what they are looking for, and associate it better, able to meet that need, as well as take advantage of natural opportunities for upselling.

Challenges faced by Retail Sector

Retail sector are currently facing the following challenges in the next decade----

- Managing part-time employees will be the biggest challenge for an HR manager in the retail firm.
- Retailers will operate on thin margins and hence will have to be cautious in paying high wages. Paying high salaries will deprive them of good profits.
- Unavailability of experienced manpower.
- Changing employee demographics with acute shortage of skilled sales force.
- Differences in work culture and values in the arena of work.
- Work force diversity.
- Retailers will have to compete with other high growth industries.
- Knowledge of the products and services will directly influence the sale in retail formats with assisted selling. Lack of competency will directly affect the stores reputation.
- Stressful environment.
- Increased formal retailing education.

III. CONCLUSION

Employees will be the vital assets for retail organization. Practical skills will be helpful to that lend themselves to subjective interpretation. Employees in the retail sector will be required to be trained according to the demands of the industry. Due to competitive market, the jobs will become more challenging and skilled workforce will be required to meet the demand. The graduates and postgraduates will be trained for the job and conversion of the skilled workforce. From the study conducted it is found that employees are satisfied with the job and are committed to their jobs. There would be a rapid growth in retail sector in the next decades and will have to be satisfied by imparting high level of training and development to retail employees.

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