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## Review Article

# An empirical review of HR practices and modernization in India's retail sector

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## ABSTRACT

The success of an organization largely depends on its human resources. Human Resource Management (HRM) plays a vital role in achieving the organizational objectives. The retail sector has played a phenomenal role in India with a tremendous contribution to the Indian economy. The market after 2021 has been an eye-opening time for the Indian retail sector. The industry saw a decline of 8.5% in FY 2021, but it recovered in 2022 to reach \$836 billion with an 81.5% contribution from traditional retail. However, the COVID-19 disruptions led to a rapid increase in e-commerce and digital adoption. Now, brands across segments are concentrating on increased online presence and direct sales as customers continue to shop online. This study concentrates on HR challenges in the retailing industry of the Chennai Region. In this article, the HR practices are analysed through HR planning, training, and selective hiring factors using Chi Square Test, ANOVA, Correlation and Regression.

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## 1. Introduction

Human Resource Management has become a very vital and crucial area for organizations. The contribution of human resource management can never be overlooked in organizational commitment and development (Dubisetty, Swaroopa and K Sreenivasulu Reddy). Previously, human resources or personnel management was considered as surplus in organizations, but with passage of time, technology, innovation, commercialization and competition take place and organizations realized that they can only have a competitive advantage by managing their most important asset. That is, human beings work with the machines but have feelings, emotions and sentiments, so they should be managed in different ways with different techniques and the need for human resource management is felt by the organization (Solberg, Elizabeth and Anders Dysvik). Now the world's best organizations have their own human

resource department and they are attracting, retaining, rewarding, respecting, training and satisfying their human capital (Kaur, Gurpreet et al).<sup>1-6</sup> Successful human resource planning should identify our human resource needs. Once we know these needs, we will want to do something about meeting them. The next step in the acquisition function, therefore, is recruitment. This activity makes it possible for us to acquire the number and types of people necessary to ensure the continued operation of the organization (Imna, Mariyam and Zubair Hassan).<sup>7-9</sup>

## 2. Recruitment and Selection

Recruitment forms a step in the process which continues with selection and ceases with the placement of the candidate. It is the next step in the procurement function, the first being the manpower planning. Recruiting makes it possible to acquire the number and types of people necessary to ensure the continued operation of the organisation. Recruiting is the discovering of potential

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applicants for actual or anticipated organisational vacancies. “Selection is the process of differentiating between applicants in order to identify (and hire) those with a greater likelihood of success in a job”. The selection procedure is concerned with securing relevant information about an applicant. This information is secured in a number of steps or stages. The objective of the selection process is to determine whether an applicant meets the qualifications for a specific job and to choose the applicant who is most likely to perform well in that job. Selection is a long process, commencing from the preliminary interview of the applicants and ending with the contract of employment (sometimes).<sup>10-15</sup>

### 3. Retail Industry

The retail industry consists of all companies that sell goods and services to consumers. There are many different retail sales and store types worldwide, including grocery, convenience, discounts, independents, department stores, DIY, electrical and speciality (Evans, Samantha). The retail industry shows steady growth year on year and employs a huge number of workers worldwide, particularly with the growing popularity of online retail (Anago, Chinwe R.). The competitive nature of this fast-paced industry has been especially pronounced during the past few years. For 2022, retail outlets have been compelled to reconsider their long-standing processes and tactics that have structured the sector for years. These global changes in management and ways of thinking about supply chains for many well-known brands only help prove how important retail sales are for the economy.<sup>16,17</sup>

### 4. Objectives of the Study

1. To explore HR practices in the retail industry
2. To examine the opinions of HR practices in the retail industry
3. To evaluate the employee performance of training towards HR practices implementation
4. To analyse the process of recruitment towards HR practices

### 5. Scope of the Study

The study has been extended to the employees of the retail industry. The respondents were randomly selected from different retail organizations located in the Chennai region. The study aims at analysing the HR practices among the employees through HR planning, training, and recruitment.

### 6. Data base

The primary data was collected through a questionnaire method. The collected data was analysed using Chi-Square, ANOVA, Correlation and regression Analysis. Secondary

data collected from social science include censuses, government department reports, Journals, newspapers, magazines and organizational records.

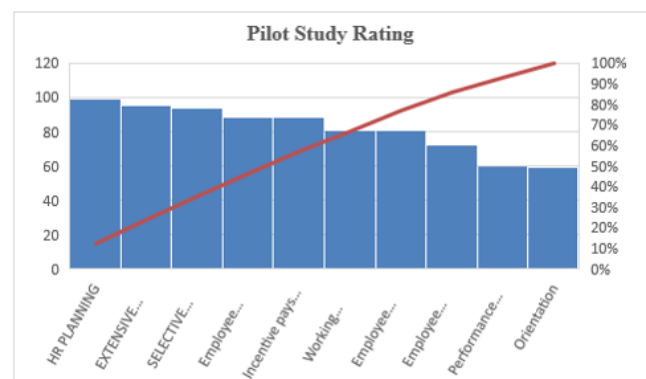
### 7. Data Analysis and Interpretation

A purpose sampling technique is followed to collect data from 10 retailing companies in the Chennai region. The managers and employees in the Chennai region retailing industries are treated as respondents, the size of the population is 100. As the element selection is restricted to the area of the Chennai region, the study has been conducted to satisfy the objectives with the best answer to research questions and respondents are selected purposively by judgment, thus utilization of purposive sampling technique is appropriate for this study. After collecting the responses from the 25 respondents based on their ratings responses, 3 HR practices were found. They are HR planning, extensive training, and selective hiring (recruitment).

**Table 1:** Pilot study rating

HR Practices	SA	A	N	DA	SDA	Total
HR Planning	11	11	3	NIL	NIL	99
Extensive Training	11	10	4	NIL	NIL	95
Selective Hiring (Recruitment)	10	11	3	1	NIL	94
Employee Grievances	8	12	5	NIL	NIL	88
Incentive Pays and Benefits	12	7	5	1	NIL	88
Working Environment	9	9	5	2	NIL	81
Performance Management	4	10	10	1	NIL	60
Orientation	7	6	12	NIL	NIL	59
Employee Appraisal	8	8	6	3	NIL	72
Employee Involvement	9	9	3	4	NIL	81

Source: Primary Data



Graph 1: Pilot study rating

### 7.1. Chi square test: Chi square Test( $X^2$ )

Chi square test analysis used for income and experience. Chi-square is the sum of the squared difference observed (o) and the expected (e) data (or the deviation, d), divided by the expected data in all possible categories.

**Inference:** As the value of coefficient of correlation (r) is found to be positive (0.433), there exists a correlation between the variables managers set departmental goals and helping subordinates to improve their performance.

**Regression**(Table 5)

### 7.2. ANOVA

Generally, analysis of variance (ANOVA) (St & Wold 1989) is defined as a collection of statistical models, and their related procedures, in which the observed variance in a particular variable is categorized into components attributable to different sources of variation. This type of test

## 8. Findings

### 8.1. Findings from chi square test

1. There is a significant relationship between experience and appraising subordinates to improve their performance.
2. There is no significant relationship between age and appraising subordinates to improve their performance.
3. There is a significant relationship between age and managers taking full responsibility for staffing.
4. There is a significant relationship between experience and philosophy in employee training and development.
5. There is a significant relationship between age and managers who set departmental goals.

### 8.2. Findings from correlation

1. The value of coefficient of correlation (r) is found to be positive (0.488), there exists a correlation between the variables pursuing continuous work improvements and managers setting departmental goals.
2. The value of coefficient of correlation (r) is found to be positive (0.433), there exists a correlation between the variables managers set departmental goals and helping subordinates to improve their performance.
3. The value of coefficient of correlation (r) is found to be positive (0.422), there exists a correlation between the variables motivating compensation and instructor responses to trainees' questions.
4. The value of coefficient of correlation (r) is found to be positive (0.270), there exists a correlation between the variables. managers encourage innovation and help subordinates to improve their performance.
5. The value of coefficient of correlation (r) is found to be positive (0.270), there exists a correlation between

the variables. Management encourages innovation and helps subordinates to improve their performance.

## 9. Findings from Regression

1. The value of P is found to be 0.010, which is less than 0.05, so there is significant relationship between helping subordinates to improve their performance and managers setting departmental goals.
2. The value of P is found to be 0.002, which is less than 0.05, so there is a significant relationship between pursuing continuous work improvements and managers taking full responsibility for staffing.
3. The value of P is found to be 0.020, which is less than 0.05, so there is significant relationship between motivating compensation and instructor responses to trainee's doubts.
4. The value of P is found to be 0.001, which is less than 0.05, so there is significant relationship between managers setting departmental goals and you pursuing continuous work improvements.
5. The value of regression is found to be 0.030, which is less than 0.05, so there is an encouraging relationship between helping subordinates to improve their performance and managers encouraging innovation.

## 10. Findings from ANOVA

1. The value of ANOVA significance is found to be 0.014, which is less than 0.05, so there is a significant relationship between experience and managers who set departmental goals.
2. The value of ANOVA significance is found to be 0.022, which is less than 0.05, so there is a significant relationship between experience and philosophy in training and development.

### 10.1. Suggestions

1. Continuous and systematic training should be introduced in an active sense in the Chennai region retail industries, which would help to efficiency.
2. In most of the retail industries, employees have opined that although their creative ideas and suggestions are at times appreciated and rewarded, most of the time the viability of their suggestions is not considered by the management.
3. Employees would be ideally expecting an atmosphere where there are no inhibitions in expressing their concerns, discerning and reasons regarding themselves and the industry by making the employees understand HR policies.
4. Planning premises should be communicated consistently to employees, and key issues/ criteria should be defined for all the managers.

**Table 2:** Chi-square test for experience and appraise subordinates to improve their performance

		helping subordinates to improve their performance			Total
		yes	no		
Experience	0 to 2 yrs.	Count	35	2	37
		Expected Count	34.2	2.8	37.0
	2 to 4 yrs.	Count	21	0	21
		Expected Count	19.4	1.6	21.0
	4 to 6 yrs.	Count	4	3	7
		Expected Count	6.5	.5	7.0
Total	Count	60	5	65	
	Expected Count	60.0	5.0	65.0	

H<sub>0</sub> (Null hypothesis): There is no significant relationship between experience and appraise subordinates to improve their performance.

H<sub>1</sub> (Alternative hypothesis): There is significant relationship between experience and appraise subordinates to improve their performance

**Table 3:** Chi-square tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.213 <sup>a</sup>	2	.001
Likelihood Ratio	10.133	2	.006
Linear-by-Linear Association	5.031	1	.025
N of Valid Cases	65		

Inference: As the value of the chi square is found to be 14.213, DF=2, P=0.001, which is less than 0.05. Hence, H<sub>1</sub> is accepted. There is a significant relationship between experience and appraising subordinates to improve their performance.

**Table 4:** Correlation between pursue continuous work improvements and managers set departmental goals

		you to pursue continuous work improvements	Managers set departmental goals
you to pursue continuous work improvements	Pearson Correlation	1	.488**
	Sig. (2-tailed)		.000
managers set departmental goals		65	65
	Pearson Correlation	.488**	1
	Sig. (2-tailed)	.000	
		65	65

Inference: As the value of coefficient of correlation(r) is found to be positive (0.488), there exists a correlation between the variables pursuing continuous work improvements and managers setting departmental goals.

**Table 5:** Regression for pursue continuous work improvements and managers take full responsibility for staffing

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	.878	1	.878	27.883	.002 <sup>a</sup>
	Residual	1.984	63	.031		
	Total	2.862	64			

**Table 6:** Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients <sup>t</sup>	Sig.	95.0% Confidence Interval for B	
	B	Std. Error			Lower Bound	Upper Bound
(Constant)	.533	.100		.000	.334	.732
You to pursue continuous work improvements	.484	.092	.554	.000	.301	.667

Inference: As the value of P is found to be 0.002, which is less than 0.05 so there is significant relationship between pursuing continuous work improvements and managers taking full responsibility for staffing.

**Table 7:** Anova for experience and managers set departmental goals

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
0 to 2 yrs	37	1.0000	.00000	.00000	1.0000	1.0000	1.00	1.00
2 to 4 yrs	21	1.0000	.00000	.00000	1.0000	1.0000	1.00	1.00
4 to 6 yrs	7	1.1429	.37796	.14286	.7933	1.4924	1.00	2.00
Total	65	1.0154	.12403	.01538	.9847	1.0461	1.00	2.00

**Table 8:** Anova

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.127	2	.064	4.610	.014
Within Groups	.857	62	.014		
Total	.985	64			

As the value of anova significance is found to be 0.014, which is less than 0.05, so there is a significant relationship between experience and managers who set departmental goals.

**Table 9:** ANOVA for experience and philosophy on trianing anddevelopment

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
0 to 2 yrs	37	1.0541	.22924	.03769	.9776	1.1305	1.00	2.00
2 to 4 yrs	21	1.0000	.00000	.00000	1.0000	1.0000	1.00	1.00
4 to 6 yrs	7	1.2857	.48795	.18443	.8344	1.7370	1.00	2.00
Total	65	1.0615	.24219	.03004	1.0015	1.1215	1.00	2.00

**Table 10:** ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.433	2	.217	4.046	.022
Within Groups	3.320	62	.054		
Total	3.754	64			

**Inference:** As the value of anova significance is found to be 0.014, which is less than 0.05, there is a significant relationship between experience and managers who set departmental goals.

## 11. Conclusion

Human resources management (HRM) is a management function concerned with hiring, motivating and maintaining people in an organization. It focuses on people in organizations. Human resource management is designing management systems to ensure that human talent is used effectively and efficiently to accomplish organizational goals. This study emphasises the HR practices in the retail industry. The empirical evidence from the study would be relevant to owners of retail organisations. Hence, this study would be relevant to readers, since the study discusses the owner and managers' views on implementing the HR polices and its impact on the organisation. The goal herein, is to help practitioners focus on small firms achieving higher individual team and organisational performance by adopting Formal HR practices. The four pillars of human resource management are fundamental to ensure employees are treated fairly using standard practices. Investments in

employee development and its importance in adapting to contemporary technology is instrumental in the growth of the retail industry through HR practices.

## 12. Source of Funding

None.

## 13. Conflict of Interest

None.

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