

RECRUITMENT IN RETAILING INDUSTRY – A STUDY

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Abstract: Retailing is a fascinating, people oriented business, based on service to consumers. It operates in an environment of attractive products and helpful services. Wherever you turn in retailing, you can find something interesting to look at, to explore, and often to purchase. We live in an age that is rich with products and services for most people to buy. Products are goods grown or manufactured and available for sale; services are benefits or satisfactions that improve the appearance, health, comfort, or peace of mind of their users.

It is easy to take for granted the impact retailing has on a nation's economic growth. In fact, retailing has made a significant contribution to the economic prosperity that we enjoy so much. The nations that have enjoyed the greatest economic and social progress have been those with a strong retail sector. Retailers have become valued and necessary members of society. Although some may argue that we have too many retailers with too many stores operating today, we must not forget the social benefits that "over storing" provide an economy. Some of the benefits that a vibrant retailing sector provides are easier access to products, having to settle to a second or third choice less often when shopping for a particular product, greater customer satisfaction, and higher levels of customer service.

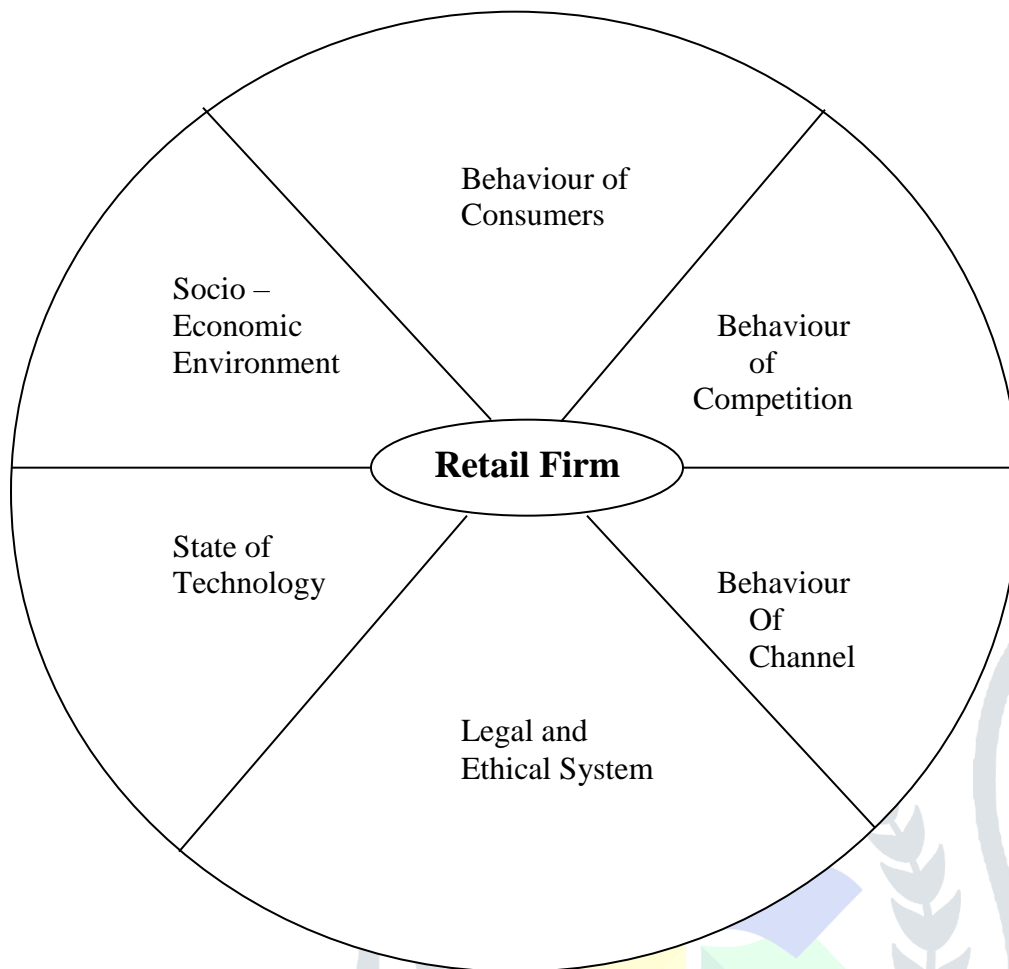
What is Retailing?

Retailing consists of the final activities and steps needed to place merchandise made elsewhere in the hands of the ultimate consumer or to provide services to the consumer.

The Nature of Change in Retailing

Retailing is not staid and stable; rather it is an exciting business sector that effectively combines an individual's skills to make a profit in an ever-changing market environment. That is why some retailers are successful and others, who are either unwilling or unable to adapt to this changing environment, fail.

External Environmental Factors Affecting Retail Firms



What is involved in a Retailing Career?

In the long run, a retailing career can offer salary comparable with other careers, definite career advancement, and geographic mobility. In addition, a career in retailing incorporates the knowledge and use of all the business activities or disciplines – accounting, marketing, finance, human resources, etc. Besides, in retailing “no two days are alike; each offers its own set of opportunities and problems.” The prerequisites for the success in retailing besides hard work include analytical skills, creativity, decisiveness, flexibility, initiative, leadership, organization, risk taking, stress tolerance, perseverance and enthusiasm. Though these are important, but it is especially important for the retail manager to work at developing an attitude of openness to new ideas and a willingness to learn because the market is always changing.

Planning for Human Resources

The role of administrative management is to acquire, maintain and control of retail resources. One of the most important resources of all the other is human resources. Human resources make things happen. After all, customers don't care who owns a retail store, they just want their questions answered, their problems solved, and their money for their purchases taken by the “first person they see.” For many retailers, labour productivity has been declining over the past two decades. These retailers appear to be caught in a vicious circle in which the relatively low wages that they offer salespersons have attracted low-quality employees, which tends to perpetuate the low-wage-low-quality cycle. Not all retailers are in this vicious circle; many have gotten out by investing time and money in their employees.

The hired human resources must be empowered. Empowerment simply means that the employee has the “power to make things right for the customer.” An empowered retail employee seeks to understand the customer's problem, desires to develop a relationship with the customer, understands the value of customer loyalty and is encouraged by management to solve the customer's problem.

The profit impact of empowering employees in retailing is dramatic. Before being able to empower their employees, retailers must first decide what human resources will be needed to achieve their firm's goals and objectives. Next, retailers must make sure that only the right types of employees are hired, that they are managed properly, and that

they are fairly compensated for their efforts. Of all the activities recruitment is important for retailers to be successful.

Recruitment

Recruitment is an important part of an organization's human resource planning and their competitive strength. Competent human resources at the right positions in the organization are a vital resource and can be a core competency or a strategic advantage for it.

The objective of the recruitment process is to obtain the number and quality of employees that can be selected in order to help the organization to achieve its goals and objectives. With the same objective, recruitment helps to create a pool of prospective employees for the organization so that the management can select the right candidate for the right job from this pool. Recruitment acts as a link between the employers and the job seekers and ensures the placement of right candidate at the right place at the right time. Using and following the right recruitment processes can facilitate the selection of the best candidates for the organization.

In this competitive global world and increasing flexibility in the labour market, recruitment is becoming more and more important in every business. Therefore, recruitment serves as the first step in fulfilling the needs of organizations for a competitive, motivated and flexible human resource that can help achieve its objectives.

According to Edwin B. Flippo, **“Recruitment is the process of searching the candidates for employment and stimulating them to apply for jobs in the organisation”**.

Recruitment Needs are of Three Types

❖ **PLANNED**

i.e. the needs arising from changes in organization and retirement policy.

❖ **ANTICIPATED**

Anticipated needs are those movements in personnel, which an organization can predict by studying trends in internal and external environment.

❖ **UNEXPECTED**

Resignation, deaths, accidents, illness give rise to unexpected needs.

Purpose and Importance of Retailing

- Attract and encourage more and more candidates to apply in the organization.
- Create a talent pool of candidates to enable the selection of best candidates for the organization.
- Determine present and future requirements of the organization in conjunction with its personnel planning and job analysis activities.
- Recruitment is the process which links the employers with the employees.
- Increase the pool of job candidates at minimum cost.
- Help increase the success rate of selection process by decreasing number of visibly under qualified or overqualified job applicants.
- Help reduce the probability that job applicants once recruited and selected will leave the organization only after a short period of time.
- Meet the organizations legal and social obligations regarding the composition of its workforce.
- Begin identifying and preparing potential job applicants who will be appropriate candidates.
- Increase organization and individual effectiveness of various recruiting techniques and sources for all types of job applicants.

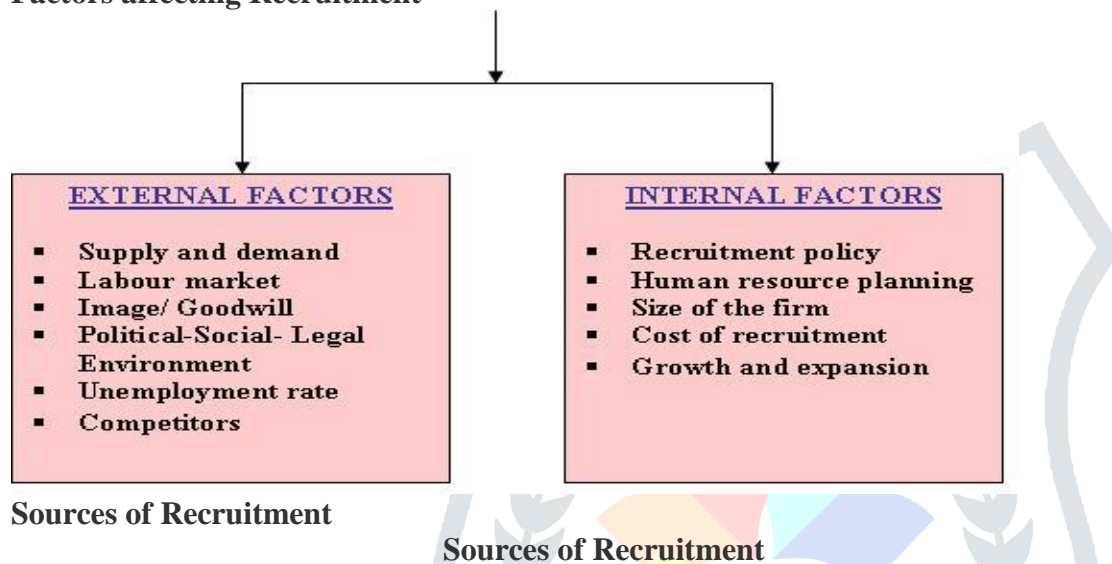
Ten-step Programme for sensible Recruitment

- ✓ Segment the target audience and direct the recruiting message to that audience.
- ✓ Use messages that sell. Analyze what the candidates want and try and meet those needs.
- ✓ Make it easy for candidates to explore the opportunities being offered to them by facilitating, among other things, the ease of accessing applications and gathering information.
- ✓ Treat the candidate like a customer, for he is, in fact, shopping for a job with you.
- ✓ Never send a desperate message regardless of the urgency of the vacancy.
- ✓ Work with others to achieve your goals.
- ✓ Know what your competitors offer and be prepared to define your unique competence vis-à-vis that of a competitor.
- ✓ Company should never be scared to be imaginative or creative. Candidates respond quite positively to unique and appealing messages.
- ✓ Don't try just one source or method. Use a variety of options to attract the best talent.
- ✓ Be persistent and patient while working towards your goals.

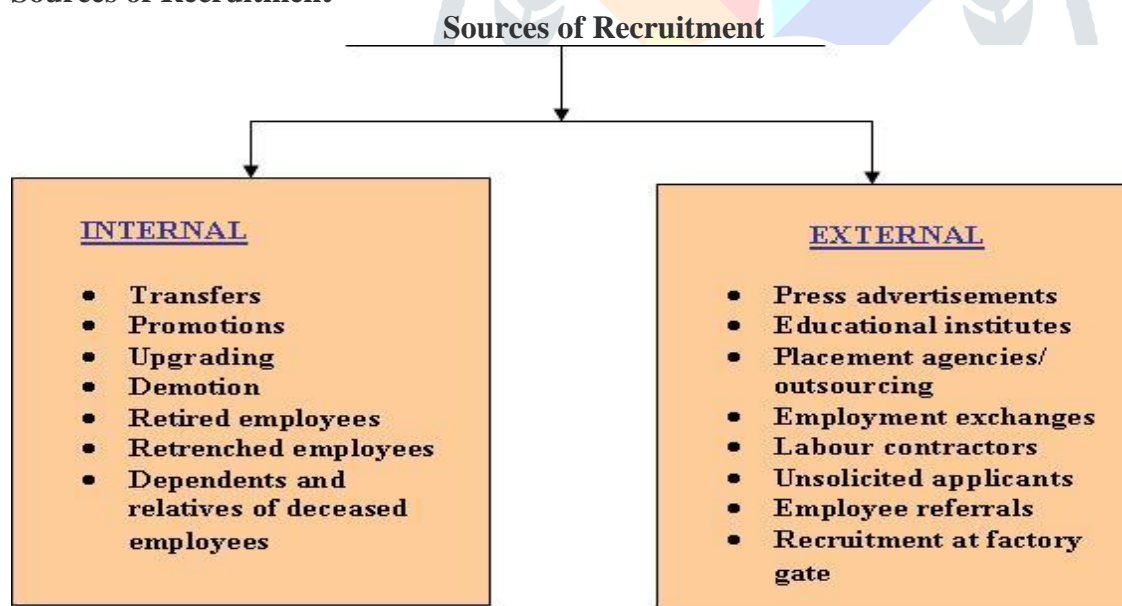
Factors affecting Recruitment

The recruitment function of the organizations is affected and governed by a mix of various internal and external forces. The internal forces or factors are the factors that can be controlled by the organization. And the external factors are those factors which cannot be controlled by the organization. The internal and external forces affecting recruitment function of an organization are:

Factors affecting Recruitment



Sources of Recruitment



Recent Trends in Recruitment

The following trends are being seen in recruitment:

A) RECRUITMENT PROCESS OUTSOURCING (RPO)

In India, the HR processes are being outsourced from more than a decade now. A company may draw required personnel from outsourcing firms. The outsourcing firms help the organization by the initial screening of the candidates according to the needs of the organization and creating a suitable pool of talent for the final selection by the organization. Outsourcing firms develop their human resource pool by employing people for them and make

available personnel to various companies as per their needs. In turn, the outsourcing firms or the intermediaries charge the organizations for their services.

RPO is a form of business that is processed forms various business resources for cost effective purpose. It is a BPO in the field of human resource management and selection procedure. In this employer, outsource their non-core jobs like recruitment activities to an external or third party service provider. This involves whole process of recruitment in a channel wise and step by step procedure.

RPO is very different from staffing process in its proceedings. In RPO, the whole process is owned and controlled by the same organization but in staffing process it is controlled by the service buying and completing it.

Advantages of outsourcing are:

- Company need not plan for human resources much in advance.
- Value creation, operational flexibility and competitive advantage
- Turning the management's focus to strategic level processes of HRM
- Company is free from salary negotiations, weeding the unsuitable resumes/candidates.
- Company can save a lot of its resources and time.
- Economies get boosted through outsourcing recruitment processing.
- Handles database of candidates' profile, total recruitment tools investments and networking.

B) POACHING / RAIDING

“Buying talent” (rather than developing it) is the latest mantra being followed by the organizations today. Poaching means employing a competent and experienced person already working with another reputed company in the same or different industry; the organization might be a competitor in the industry. A company can attract talent from another firm by offering attractive pay packages and other terms and conditions, better than the current employer of the candidate. But it is seen as an unethical practice and not openly talked about. Indian software and the retail sector are the sectors facing the most severe brunt of poaching today. It has become a challenge for human resource managers to face and tackle poaching, as it weakens the competitive strength of the firm.

C) E-RECRUITMENT

The buzzword and the latest trends in recruitment is the “E-Recruitment”. Also known as “Online recruitment”, it is the use of technology or the web based tools to assist the recruitment process. The tool can be either a job website like naukri.com, the organization's corporate web site or its own intranet. Many big and small organizations are using Internet as a source of recruitment. They advertise job vacancies through worldwide web. The job seekers send their applications or curriculum vitae (CV) through an e-mail using the Internet. Alternatively job seekers place their CV's in worldwide web, which can be drawn by prospective employees depending upon their requirements.

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The internet penetration in India is increasing and has tremendous potential. According to a study by **NASSCOM – “Jobs is among the top reasons why new users will come on to the internet, besides e-mail.”** There are more than **18 million résumé's floating online across the world.**

The **two kinds** of e- recruitment that an organization can use is –

- ✓ **Job portals** – i.e. posting the position with the job description and the job specification on the job portal and also searching for the suitable resumes posted on the site corresponding to the opening in the organization.
- ✓ **Creating a complete online recruitment/application section in the companies own website.** - Companies have added an application system to its website, where the ‘passive’ job seekers can submit their resumes into the database of the organization for consideration in future, as and when the roles become available.

Resume Scanners: Resume scanner is one major benefit provided by the job portals to the organizations. It enables the employees to screen and filter the resumes through pre-defined criteria's and requirements (skills, qualifications, experience, payroll etc.) of the job.

Job sites provide a 24*7 access to the database of the resumes to the employees facilitating the just-in-time hiring by the organizations. Also, the jobs can be posted on the site almost immediately and is also cheaper than advertising in the employment newspapers. Sometimes companies can get valuable references through the “passers-by” applicants. Online recruitment helps the organizations to automate the recruitment process, save their time and costs on recruitments.

Online recruitment techniques

- Giving a detailed job description and job specifications in the job postings to attract candidates with the right skill sets and qualifications at the first stage.
- E-recruitment should be incorporated into the overall recruitment strategy of the organization.
- A well defined and structured applicant tracking system should be integrated and the system should have a back-end support.
- Along with the back-office support a comprehensive website to receive and process job applications (through direct or online advertising) should be developed.

Therefore, to conclude, it can be said that **e-recruitment is the “Evolving face of recruitment.”**

Advantages of e-recruitment are:

- Low cost.
- No intermediaries
- Reduction in time for recruitment.
- Recruitment of right type of people.
- Efficiency of recruitment process.

Conclusion

India's one billion populations make the country the second largest in the world in terms of population which is the very basis for successful organized retailing. We should take heart from the fact that most of the world's successful retail stories in the developed as well as in the developing countries have shaped up in small towns and villages. These have not only proved as independent profit centers but have also brought gainful opportunities and success for all. India's Retailing industry has seen some hectic activity and growth in the last five years. In 2008, retail sales in India could top one billion dollars (\$1 bn.) a day (\$365 billion per year) according to a study released by ASSOCHAM. Thus it is required for the retailers to go ahead with the proper recruitment policy for recruiting the employees for their firms.

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