CHAPTER III
SIGNIFICANT RETAIL PERSPECTIVES

3.1 INTRODUCTION

It is felt necessary to present a descriptive report of the various retail perspectives, which are aimed at fostering an understanding of the subject of retailing and employee engagement in retailing in detail. The first section of this chapter carries an elucidation on the Global Perspectives of Retailing that covers the status of current retailing trends in a few countries especially economies similar to India like China, Russia, Vietnam, Chile, etc. with a brief note on Global Retailing Strategies. The second section has an elaboration on Organized Retail Perspectives in India. The third section carries the elaborate details of Manpower and its roles in Retailing in India. The fourth section includes a case study of the education initiatives at FLFL. The fifth and final section presents the Chapter Summary in a nutshell.

3.2 GLOBAL PERSPECTIVES OF RETAILING

The retail development that happened in developed countries like USA and UK two decades ago is repeating itself in developing countries like India currently. Organized retailing grew on a large scale in Western economies with development of Central Business Districts, large formats like department stores, hyper markets, malls and so on. The top 10 retailers across the world have contributed to the total revenue of USD 1.29 trillion.
### Table No.3.1 Top 10 global retailers (2013)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Name of company</th>
<th>Country of origin</th>
<th>2013 Retail revenue (US $mil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wal-Mart Stores, Inc.</td>
<td>U.S.</td>
<td>476,294</td>
</tr>
<tr>
<td>2</td>
<td>Costco Wholesale Corporation</td>
<td>U.S.</td>
<td>105,156</td>
</tr>
<tr>
<td>3</td>
<td>Carrefour S.A.</td>
<td>France</td>
<td>98,688</td>
</tr>
<tr>
<td>4</td>
<td>Schwarz Unternehmens Treuhand KG</td>
<td>Germany</td>
<td>98,662</td>
</tr>
<tr>
<td>5</td>
<td>Tesco PLC</td>
<td>U.K.</td>
<td>98,631</td>
</tr>
<tr>
<td>6</td>
<td>The Kroger Co.</td>
<td>U.S.</td>
<td>98,375</td>
</tr>
<tr>
<td>7</td>
<td>Metro Ag*</td>
<td>Germany</td>
<td>86,393</td>
</tr>
<tr>
<td>8</td>
<td>Aldi Einkauf GmbH &amp; Co. oHG</td>
<td>Germany</td>
<td>81,090</td>
</tr>
<tr>
<td>9</td>
<td>The Home Depot, Inc.</td>
<td>U.S.</td>
<td>78,812</td>
</tr>
<tr>
<td>10</td>
<td>Target Corporation</td>
<td>U.S.</td>
<td>72,596</td>
</tr>
</tbody>
</table>

*Source: Deloitte*

India has been continuously figuring in the top 10 most attractive countries for foreign retailers to invest in the last decade (2000 – 2010) according to A.T.Kearney reports. The government regulations on foreign investment were expected to change in favour of facilitating the entry of foreign retailers into India. But in the last five years especially in multi-brand retailing though Foreign Direct Investment (FDI) is allowed to the extent of
51% due to impractical conditions of investments in both frontend and backend being mandatorily specified the sector hasn’t shown its attractiveness to foreign retailers. India hasn’t found a place in the ranking of Global Retail Development Index 2015.

Table 3.2 Global Retail Development Index 2015

<table>
<thead>
<tr>
<th>Country</th>
<th>2015 Rank</th>
<th>2014 Rank</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Uruguay</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Chile</td>
<td>3</td>
<td>1</td>
<td>-2</td>
</tr>
<tr>
<td>Qatar</td>
<td>4</td>
<td>2015 new entry</td>
<td>N/A</td>
</tr>
<tr>
<td>Mongolia</td>
<td>5</td>
<td>2015 new entry</td>
<td>N/A</td>
</tr>
<tr>
<td>Georgia</td>
<td>6</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>7</td>
<td>4</td>
<td>-3</td>
</tr>
<tr>
<td>Brazil</td>
<td>8</td>
<td>5</td>
<td>-3</td>
</tr>
<tr>
<td>Malaysia</td>
<td>9</td>
<td>9</td>
<td>0</td>
</tr>
</tbody>
</table>

*Source: A. T. Kearney*

Notwithstanding the foreign investment attraction for multi brand retailers, the sector has been attractive for single brand retailers to enter though. In October 2016 the first H&M store has opened its doors to customers in India in New Delhi. Many single brand retailers have come into India through the joint venture route and a few on their own. Reliance Retail hosts almost 14
brands like Marks & Spencer, Apple, GAS, Diesel, Paul & Shark, Kenneth Cole, Hamleys, Quick Silver, etc.

In the past decade, retail growth happened at different timelines in various countries in the globe. In the early 2000s Eastern European countries gained membership to the European Union. As a consequence, retail growth gained momentum in these markets. China was accepted into the World Trade Organization (WTO) in 2001. The Chinese market then opened up for international trade and foreign investment and in turn retailing in China started growing since. South East Asia, Middle East, South America and BRIC (Brazil, Russia, India & China) began to emerge as strong economies and these countries witnessed big growth opportunities for global retailers (A.T. Kearney, 2014).

A.T.Kearney’s GRDI report past 10 years analyses the factors such as Retail Space, Retail Sales per Capita, and Population with Internet access and Percentage of Global Retail Sales. There is an exponential growth of retail space compared to the population growth when we compare the data of a decade- 2001 to 2010. The Retail Space expanded by 225 percent in developing countries when the population increased by 11 percent. Retail Sales Per Capita increased by 100 percent.

Growth of Retail Space shows the positive response to organized retail in India. The population growth also signifies growth of Young India whose buying behavior and shopping habits contribute to the increase in Retail Space. Retail sales per capita are defined by the total number of households divided by
the total retail sales to determine the average cash flow through each household. The 100% increase in Retail Sales per Capita shows more households have increased spending power within a decade in organized retail. The 400% increase in internet access has created a well informed consumer base in India and in global level. Developing countries show lots of scope for growth in retail as the matured economy of developed countries doesn’t show significant growth in retail industry.

**Figure 3.1 Comparison of growth areas in developing markets, 2001 versus 2010**

<table>
<thead>
<tr>
<th>Population</th>
<th>2001</th>
<th>2010</th>
<th>+11%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>3.7 billion</td>
<td>5.7 billion</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retail space (square meters)</th>
<th>2001</th>
<th>2010</th>
<th>+225%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail space (square meters)</td>
<td>40 million</td>
<td>130 million</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retail sales per capita</th>
<th>2001</th>
<th>2010</th>
<th>+91.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail sales per capita</td>
<td>$3,009</td>
<td>$3,847</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Population with internet access</th>
<th>2001</th>
<th>2010</th>
<th>+496%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population with internet access</td>
<td>200 million</td>
<td>1.2 billion</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of global retail sales</th>
<th>2001</th>
<th>2010</th>
<th>+71%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of global retail sales</td>
<td>34.5%</td>
<td>42%</td>
<td></td>
</tr>
</tbody>
</table>

*Published reports from 2002 through 2011 are based on prior year data.
Sources: Population Reference Bureau, Planet Retail; Internet World Stats; A.T. Kearney analysis

Report of the 2011 Global Retail Development Index talks about the countries that have developed well in an era of globalization and the Global Retailers have listed Brazil, Russia, India and China for expanding their business in future.
Throughout that decade of change, five countries which made to the top 10 were China, India, Russia, Vietnam and Chile. There was tremendous growth in Retail Spending Per Capita and Retail Space. They exceeded the growth rate of other developing markets. Their consistent growth rate will keep drawing the interest of potential retailers for the years to come.

**Figure 3.3 Countries which are GRDI’s most consistent performers**

*Note: CAGR is compound annual growth rate.*
*Source: A.T. Kearney Global Retail Development Index (GRDI), 10-year perspective, 2011*
3.2.1 Retailing In China

China is now the world’s second largest retail market (Fung Business Report, 2013). Total retail sales of consumer goods doubled to 20.7 trillion Yuan in 2012 from 10.8 trillion Yuan in 2008. Furthermore, China is expected to surpass the United States to become the world’s largest consumer market within five years. The country’s retail market is evolving as quickly as it grows. With higher incomes and increasing affluence, consumers are demanding better quality and unique products and services. Also, new technologies are revolutionizing the way retailers are running their businesses. According to the report, the key aspects of this transformative retailing phase include:

- Aggressive store expansion is replaced by improving store productivity
- Retailers launch their own private labels or proprietary brands
- Mobile-commerce is increasingly popular, as is mobile payment
- Digital marketing is ever more prevalent
- Improving customer relationship management
- The concept of omni-channel retailing emerges
- Tier 3 and tier 4 cities become the development focus

To fully appreciate the economic strength of China, one needs to understand the macro factors that are driving the country. China’s economy is the second largest in the world, roughly 2.3 times larger than Japan’s and 70% of the world’s largest economy, the USA. Since 1978, China has achieved an average 9.9% annual GDP growth, and the International Monetary Fund (IMF)
forecasts the Chinese economy to surpass the US by 2016. Although growth projections are less bullish for the next five years, the projected 9% annual growth rate still outpaces other BRIC countries. International retailers were attracted towards China for the size of that market but many of them couldn’t get their service models right as they couldn’t understand the Chinese consumer well. Over the past decade, there has been a surge of interest from both foreign and domestic investors in China retail real estate market. However, hard lessons have been learned by some of these investors and these lessons include poor asset planning and management, the lack of local knowledge and various issues with partners (such as lack of alignment of interests). A number of foreign investors entered China retail real estate markets by replicating the Western retail mall’s concept, but many have failed. Main reasons are conflicts with their local partners, and the lack of local knowledge and professionals, such as misunderstanding the local culture and consumer behavior, mismatching product offerings and poor asset planning and management (CBRE Report, 2012). With retail landscape becoming competitive and growing sophistication of consumers, China needs to improve its business practices to succeed in rapidly evolving retail market. However in China Mergers & Acquisitions continue to be an attractive avenue fuelling growth. Global retailers have understood the increase in spending power of Chinese consumers and their willingness to spend more for quality products and they have reposed faith in the Chinese market. The report suggests that
China needs to focus on the following in future to become more competitive globally:

- To give the consumers the benefit of complementing multichannel option in their shopping experience
- To improve product and service offering to suit the changing needs of the customers by using intelligence report / data in an effective manner
- Chinese consumers are increasingly becoming brand loyal hence retailers should establish and maintain strong brand images
- Global retailers like Wal-Mart and Tesco are increasingly becoming ‘Eco friendly’ while formulating their business strategies. China’s business houses should build a socially responsible corporate image

3.2.2 Retail Growth In Russia

The Russian service sector, particularly in the retail, wholesale, and real estate markets, also has shown growth, fueled by per capita income growth (Price Waterhouse Coopers, 2013). Russia’s retail market is actively growing and not yet saturated with quality retail services. With Moscow and St. Petersburg relatively well covered through global and local retail networks, expansion into other regions is gathering momentum. Some of global retail’s largest companies remain absent from the Russian market, awaiting promising entry opportunities. Russia has experienced a decade of remarkable double-digit retail growth, and its large and wealthy population has long been an attractive proposition for international retailers. But Russia's drop in the rankings in recent years highlights how a lack of transparency in government
regulations can curtail foreign investment. A rise in consolidations among domestic players bodes well for the possibilities of entering Russia via acquisition, yet so far this has proven more difficult than expected because of local backlash. Competition is rising in tier 2 and 3 cities, putting more pressure on foreign retailers hoping to crack the Russian market.

The wholesale market is characterized by a few dominant players in each product segment, including food products, beverages, tobacco, and non-food products. However, that doesn’t mean the market is closed to new entrants who are willing to put in some extra effort, time, and monetary investment to get to play in one of the established wholesale market segments. Although social networking currently eclipses online news and shopping, online marketing can develop into a significant opportunity in the vast stretches of regional Russia. Most of the Russian public appears to be open to the concept, but to date, online sales have languished, with a dearth of secure, convenient payment options and pick-up sites, obscure or non-existent return policies, and backordering quashing potential. The 35 to 44 age group is the most active among Russia’s Internet buyers who purchase mostly movie, theater and concert tickets.

3.2.3 Retailing In Vietnam

Deloitte (2014) studied the Vietnam market and found that the rising average income boosts the growth of retailing in Vietnam. In 2014, Vietnam retailing continued to record double-digit value growth, in part thanks to the increasing average income in the country, as well as more stable economic
condition. Especially in big cities such as Ho Chi Minh City, higher average incomes serve to boost growth of some non-grocery specialist’s channels that experienced a negative performance earlier such as leisure and personal goods specialist retailers. While products like jewellery and watches were considered non-essential consumers are becoming more willing to pay such products after years of saving.

Saigon Union of Trading Cooperatives continues to lead in its share in organized retail. Besides new supermarkets launched in various provinces such as Dong Thap, Go Vap, Hoc Mon and Ha Long, the company also opened a new shopping centre under the name of Sense City in Can Tho. Saigon Union of Trading Cooperatives is seeking to broaden its operations to gain share and thus maintain its leading position, when Vietnam is expected to see more new international entrants.

Internet retailing is gaining popularity in Vietnam. Internet retailing became more popular in 2014, reflecting the rising number of internet users as well as the increasingly busy lifestyles of many consumers living in the major cities, such as Ho Chi Minh City and Hanoi. The more advanced online payment systems being offered by banks, which is more secure and convenient, also contributed to the good performance of internet retailing in 2014. The key users of internet retailing remain the younger generations, particularly students and young working professionals.

Private label emerges as a new retail strategy among various retailers to improve their brand image. With cheaper prices and a similar quality to
branded products, private label items have attracted an increasing number of consumers from the lower-end segment. More and more retailers are competing against each other with private label, both in terms of quality and quantity. Major supermarkets and hypermarkets operators such as Casino Guichard-Perrachon SA, Saigon Union of Trading cooperatives and Lotte Shopping Co Ltd., both consider private label to be among their key development strategies in 2014.

Vietnam is seen as a lucrative playground for foreign retail entrants now. Vietnam retailing is likely to be an open Trading Playground with nil import tax for most of the products. ENT (Economic Need Test) regulations will also be loosened, which means new foreign entrants can be founded with 100% foreign ownership and the number of outlets one foreign company can operate in certain areas is not so legally restricted as was previously the case. As a result, the competitive landscape of retailing in Vietnam is expected to be dynamic going forward, with many foreign entrants and international branded products gaining penetration.

3.2.4 Retailing In Chile

According to the Euromonitor Report (2014), the Chilean economy experienced a deceleration over the second half of 2014, evoking fears of a slowdown similar in scale to that of the global financial crisis which struck Chile during 2009. However, the sudden change in the general expectations for the overall performance of Chile’s economy, evident in the seemingly daily downward revisions of the anticipated 2% GDP growth rate for 2014, was not
directly reflected in retail spending patterns. The performance of the Chilean retailing industry remained positive throughout the year thanks to the broadened access to credit and the country’s stable unemployment rate. Nevertheless, increased inflation, record breaking gas prices and the lowest exchange value for the Chilean peso in many years were all factors influencing the sharp drop registered in consumer confidence in Chile. Chilean economy is in a transitional phase.

Internet retailing is poised to record further growth in Chile. Although internet retailing continues to account for a marginal proportion of total retail value sales in Chile, the channel is nevertheless poised to record strong growth over the forecast period as internet penetration is quite high in Chile. Many Chileans recognize the convenience not only of having products purchased online delivered directly to their homes, but also the benefits of being able to avoid the stressful and time-consuming activity of shopping in store-based retail outlets with their seemingly endless checkout queues. There was a time, however, in the recent past when the majority of Chileans listed security issues and the potential for identity theft as the leading disadvantages of online transactions. By 2014, however, these concerns had been replaced by delays in delivery time as the number of Chileans confidently carrying out transactions online had grown exponentially.

Chileans place more importance on convenience in retailing. As in the majority of other Latin American countries, society in Chile is becoming increasingly urban, not only in the country’s major metropolis and capital of
Santiago, but also in other provincial and second-tier cities. Thus, many Chilean consumers are placing a higher value on convenience as well as affordability. Grocery retailing has seen the emergence of chained convenience stores operated under chains such as SMU’s OK Market, chained forecourt retailers such as Spacio 1 from Petrobrás and smaller supermarkets such as Walmart’s Lider Express, the outlets of all of which are ideally located in residential neighborhoods. Convenience stores and chained forecourt retailers each registered double-digit growth during 2014 these channels were only marginally negatively affected by the general deceleration registered in the retail spending. On the other hand, shopping centres continue to evolve as public spaces in the many new suburban areas that are being built on the outskirts of Chile’s major cities and it is not uncommon to find Chilean families, young couples and groups of friends prepared to spend their entire weekends at the shopping centre, according to the report.

3.2.5 Global Retailing Strategies

Global retailers continue to exploit the strategy of Mergers and Acquisitions (M&A) to enter into various new markets across the globe. This trend is increasingly seen in Indian retailing also. In early 2000 Raheja Group’s Shoppers’ Stop acquired the book retail chain Crossword. Later the Tata Group acquired the South India based book store chain Landmark. Recently in 2014, Future Group has acquired Easy Day grocery chain from Bharti and Nilgiris food store chain as well.
The Global retailers focus on customer relationship management as strategy and they aggressively promote customer relationship management in all the countries where they operate. This also could be seen as a major strategy to acquire customer constancy by Indian retailers. The third key strategy that global retailers adopt is the rapid expansion of their private label product line. For many global retailers the percentage of private labels’ contribution to sales is over 40% on an average. This trend also is seen in retailing in India as many organized retailers have been introducing private labels increasingly in their merchandise mix.

3.2.6 Global Retail Format Trends

With Walmart as the largest retailing company in the world and with many others following suit, Value For Money (VFM) retail formats are seen expanding in a big way across the globe. Retailers are seen expanding into tier 2 and tier 3 towns in many countries for achieving expansion and growth. Convenience Formats are growing in the Asian markets especially formats like 7 Eleven, Watsons, Health & Glow, etc. The third kind of formats that one could see on an expansion spree is the experiential ones. Experiential shopping formats like destination malls could be significantly expanding especially in UAE and the Gulf Cooperation Council (GCC) markets. Retail formats like Kidzania, Decathlon, Starbucks, Burgerking etc could be the other experiential ones to grow globally. All these experiential brands have set foot in the continent of India. While niche ethnic, organic, fitness etc formats may gain growth globally the retail landscape is poised to be driven by technology. Brick
and mortar retailers may adopt an omni channel approach and online retailers like Amazon, Alibaba, etc may grow big across the world. Online retailers like Flipkart, Snapdeal, Amazon, Big basket, Jabong etc in India have been growing in a big way according to various industry reports.

3.3 ORGANIZED RETAIL PERSPECTIVES IN INDIA

The evolution of Indian retailing began even when the barter system was existing in the country. Next to agriculture retailing is the vocation most Indians are involved in. Retailing hence is the second largest job providing vocation. The small retailers who are traditional in nature are said to be 12.5 million in number in India and these retailers are co-existing with the modern ones. The traditional retailers are more seen in the ‘kirana’ segment who are grocery retailers in every local market and in every town / village. Tradesmen are found in the wholesale markets with ‘mandis’ as their retail points. Every feeder town which feeds a number of villages has a wholesale market with many retail points. We are now seeing evolution of kirana outlets into organized supermarkets in towns. In cities and metros we come across all the organized players with their modern retail formats being present. The metros and cities have seen the advent of malls which have become centers for shopping, dining and entertainment. In the food category large formats like Reliance Mart, Hypercity, Total, Big Bazaar, Foodhall, Godrej Nature’s Basket, Food Bazaar, Nilgiris, Heritage, Star Bazaar, Spencers, etc have opened across India. In the apparel and lifestyle category apart from many brands large department stores like Lifestyle, Shoppers’ Stop, Reliance Trends,
Max Hyper, Megamart, Planet Retail, Globus, Westside, Pothy’s, RmKV, Saravanas, Park Avenue, etc have been established all over the country. It is evident that the modernization of Indian retailing is currently at a critical stage and it is fast evolving in metropolitan cities but the bulk of the retail sales happens through traditional retail formats (Mulky & Nargundkar, 2003).

Retailing in India has been growing at a significant pace in the organized sector since the liberalization of economy that began in India since 1991. The Indian retail market is fragmented with a meager 5% of the sector as organized. That means that 5% of retailers in India are registered under The Shops and Establishments Act and other regulations and licenses. The remaining 95% of the sector is viewed as a big opportunity for retail shops to evolve and become organized in future. In the last 25 years many new retail firms like Future Group, Shoppers’ Stop, Trent, Globus, Spencers, Lifestyle, etc have been formed. The retail sector in India is growing with a few organizations which have had their core businesses as manufacturing or wholesaling have ventured into retailing. Arvind Mills, Madura Garments, Reliance Industries, Tata, ITC, A V Birla are some of the examples of forward integration into retailing in India. Retailers like Shoppers’ Stop, Trent, Reliance, Kewal Kiran, RPG are already listed in the stock exchanges of India and many more may toe the line in future. The sectors like apparel and lifestyle, and food are the major contributing ones to the organized retail mix in India. The growth of retailing in the organized sector has begun in major metros like Mumbai, Chennai, Bengaluru, Delhi and Kolkata in the last decade.
Growth is set to happen in tier 2 and tier 3 towns of India in the current decade. Various estimates put the size of retailing in the country as USD 520 billion. Growth in organized retailing in India is stimulated by various factors – social and economic factors. The consumers in India have undergone transformation with their demographic profile being much younger as compared to those in the Western economies. The burgeoning middle class in India with higher disposable incomes have transformed purchase patterns. The environmental factors like the development of transportation infrastructure, the development of technological infrastructure and the increased availability of communication networks have been fuelling the growth of business and retailing in India.

3.3.1 Growing Consumer Segments In India

Out of the total 1.2 billion population in India, more than 350 million people are expected to be in the burgeoning middle class segment with a significant disposable income to spend. The consequence of the growth of service sectors like IT and ITES, Hospitality, Healthcare, Transportation etc employment for the middle class is being generated on a large scale and this fuels the internal consumption trend in India. This also insulates India’s economy from being affected by any global recession. More than 70% of India’s population lives in rural areas and retailing in India is expected to percolate into deep rural markets in the next decade. The explosion of media and its reach have impacted consumer awareness by a good measure which also triggers consumption in India. Retailers are encouraged to open stores across the country in all categories of products and services as transformation has
happened in the development of transportation network with the commissioning of expressways, highways and air passages largely in the recent years.

3.3.2 Growth Prospects In Indian Retailing

With the added advantage of understanding local consumers’ preferences and buying behaviour the local retailers have started wooing their customers with product innovations and attractive schemes. International players are trying to get a foothold in India as Indian consumers aspire for international brands through visibility created by media and awareness by their borderless travelling.

India’s retailing boom has acquired further momentum, dynamism and vibrancy with international players experimenting in the Indian market and the country’s existing giants taking bold innovative steps to woo the consumer. At the same time, the early entrants are redefining their strategies to stay competitive and suit the new market landscape. The next few years are liking to witness rapid growth in the organized retailing sector with several leading international players establishing their presence in India by adjusting their formats to suit local tastes and buying behavior while regional players have stepped up their defenses and are striving to gain edge over global players by using their knowledge of local markets. Clearly the next wave of the retail boom is upon us. Retailing is one of the pillars of the economy in India. Over the past few years, the retail sale in India is hovering around 33-35% of GDP as compare to 20% in the US. The Indian retail industry is the fifth largest in the
world. Comprising of organized and unorganized sectors, Indian retail industry is one of the fastest growing industries in India, especially over the last few years. Though initially, the retail industry in India was mostly unorganized, however with the tastes and preferences of the consumers, the industry is getting more popular these days and getting organized as well. Now with growing market demand, the industry is expected to grow at pace of 25-30% annually. The Indian retail industry is currently growing at a great pace and is expected to go up to US $ 833 billion by the year 2018. In the last four years consumer spending in India has climbed up to 75%. In India though, organized retail accounts for app. 8% of total retail revenues (Pricewaterhouse Coopers Report, 2014), however, with a young population, increasing disposable income, changing life styles and a robust economy India is set to emerge as one of the fastest growing organized retail markets in the world. Organized retailing refers to trading activities undertaken by licensed retailers, i.e. those who are registered for sales tax, income tax, etc. These include the corporate backed hypermarkets and retail chains and also the privately owned large retail businesses. Unorganized retailing, on the hand, refers to the traditional formats of low cost retailing, for example, the local kirana shops, owner manned general stores, convenience stores, handcart and pavement vendors etc. Retail in India has four major formats:

1. *Weekly Markets* – These markets are held in small villages / peripheral areas of cities. Here, farmers sell their products; Cottage Industry
manufacturers sell their products. Natives of the villages having low income level are the customers in these markets

2. *Mom and Pop Stores* – Small stores found in villages, small and big cities. They sell everything – from fruits & vegetables to electrical items. Customers are from various levels of income from low to high. These stores sell merchandise of regional flavor and this is one of the reasons for their successful business even now. They also give personalized service to the customers. For Fruits & Vegetables and day today consumption items, customers prefer these stores.

3. *PDS Outlets* – These are all stores controlled by the state government. Food grains and essential commodities are available at subsidized rates. This is a boon for economically weaker segment of the population.

4. *Organised Retail* – These formats are very structured and they along with merchandise offer a convenient shopping experience to the customers. This is a fast growing form of retailing.

**3.4 MANPOWER IN RETAILING IN INDIA**

In this section, a detailed study of retail manpower is attempted. The section is structured into five parts. While the first part discusses the people-oriented nature of the retail business, the second one deals with the typical tasks in retailing, various functions and manpower planning process and manpower standards. The third part explains the types of employees, recruitment process and methods of recruitment in an Indian retail organizations. The fourth part deals with the concerns and issues in retail
manpower and discusses the skill-gap analysis of existing retail manpower and various Government initiatives to augment skilling in retail. The fifth part discusses the significance of Employee Engagement in retaining this skilled and trained manpower in retail organizations.

3.4.1 People Oriented Nature Of Retail Business

What the customer takes back home from a retail store is a combination of merchandise and service. The service is delivered through the human interface between the store employee and the customer. All service organizations define the product in terms of the employee or human resources that represent them (Gibson G Vedamani, 2013)

3.4.1.1 Front End Customer Touch Points

There are many customer touch points in a retail store. And each of these touch points is manned by a specific retail employee. The behavior of retail employees in each of these touch points account for the total shopping experience of the customers. Right from the security who opens the door for the customers, the Customer Service Associate who assists the customer in choosing the merchandise, the house-keeping attendant taking care of facilities like wash rooms, the trial room attendant who helps the customers in getting the right size of merchandise to try on, the customer service desk personnel who deals with any issues, concerns regarding the merchandise or the service offered in the store, the alteration counter where the customers get their merchandise altered to their requirement, the billing section where the cashiers
bill the products and get payment from the customers, the bagging section where the products bought by the customers are packed and handed over and finally again to the security at the exit gate to see them off with a smile. The better the shopping experience of the customers the more business transactions in the store. So, the retail business is a very people oriented business.

3.4.1.2 People In Back End Operations In Retailing

For every retail store to run smoothly, an efficient back end operations team contributes tremendously. The marketing team takes care of Above The Level (ATL) and Below The Level (BTL) marketing activities to build the brand image of the company and communicate with the customer base on products, schemes and promotions in the store. The success of this function depends on complete understanding of the catchment area, demographic details of the customers, creative thinking involved in designing the marketing communication like advertisements in television, print media, social media and many BTL marketing activities like store spot promotions, schemes, deals etc. This heavily depends on the marketing personnel who will be able to think in their feet and promote the company and their products. The IT team takes care of the cashiering processes, updating of promotions/schemes in the systems and ensure smooth functioning of all systems and processes. The HR team takes care of recruitment of right personnel for the organization, induct them into the system, train them for the job function, assess their performance and organise reward and recognition schemes. The Supply Chain and Logistics team takes care of the availability of right quantity of merchandise at the right time and at
right place. The merchandise and buying team procure merchandise at competitive pricing to protect the profit margin and ensure smooth relationship with various vendors to ensure quality of merchandise. All these functions are very people oriented hence retail business is very people oriented.

3.4.2 Typical Tasks In Retailing

Over 30 million employees are engaged in retail industry out of which only 0.3 million people are engaged with organized retail. The retailer needs to identify the tasks for a retail store and group them together to form a function. Examples of tasks that characterize retail are- Forecasting Sales, Purchasing Supplies & Merchandise, Building Merchandise Assortments, Pricing Merchandise, Selling, Training Employees, Displaying Merchandise, Billing Customers, Packing and Gift wrapping, Searching for Merchandise, Advertising, Handling Customer Complaints, Controlling Inventory, Transporting Merchandise, Supervising Employees, Hiring and Firing Employees, Cleaning the Store, Handling Cash, Paying Bills, Customer Research, Altering/Repairing Merchandise, Storing Merchandise, Preparing Merchandise Statistics, Maintaining the Store and Providing Store Security.

The retailer needs to decide how tasks have to be grouped to provide the highest level of efficiency. For example, in a store where customer walk-ins are few, and the merchandise stocked are high –fashion garments, the same salesperson may be asked to assist the customer in selection, bill the customer, collect payment and pack the item. However in a supermarket where a cash-and-carry system exists, the job may be separate, with different people stacking
items on shelves, cashiering etc. In a store selling specialty products – like branded cosmetics- there is no product development effort required from the retailer since the brands are presenting developed and advertised lines. Hence the salesperson may be asked to indent for re-orders as well as do selling, since he would know which item are slow and which are fast movers. However, in a fashion garments store which has its own label, a specialist merchandiser may be required to take decisions on re-orders, deciding whether continuing the product line would benefit the store or not.

3.4.3 Typical Functions / Roles In Retailing

**Store operations:** The retail function of store operations plays a critical role in shaping the customer perceptions towards the store, its merchandise and its brand image. Significant areas of retail store operations involve retail selling process, customer service and accommodation, store staffing and scheduling, retail floor and shelf management, store administration and facilities management, warehousing and supply chain management, loss (shrinkage) prevention, POS/cashiering process, visual merchandising and displays.

**Merchandising:** Merchandising is unique and exclusive to the retail industry. It refers to the entire process of inventory planning and management in a retail organization. If merchandising is done properly it will lead to increase in return on investment (ROP). The greater the ROI, more the profitability. This function involves selecting and displaying of the assortment of goods to be sold. The right mix/kind of merchandise plays an important role in selection of
a particular store by the customer and is a key differentiating factor. It is a
dynamic activity which has to be in resonance with customer trends and also
has implications for the top-line and bottom-line of a retail outlet.

**Buying:** Buying for a retail organization is a critical function of merchandise
management. The process of buying begins with the preparation of the buying
plan, using various methods. The planning of buying begins from the process
of budgeting, buying through proper financial planning. Such financial
planning is based on the investment in inventory planned as a result of number
of stock turns planned for each store, cumulated for the organization.
Centralized purchasing is important for the organised retailers to get advantage
of their scale of operations. Retailing often involves a number of products and
SKUs which make this task even more difficult. Purchasing function has to
work in co-ordination with logistics and merchandising. The function also
takes care of Vendor Selection and Development.

**Supply Chain Management (SCM):** This is an end-to-end process in
merchandise planning and movement from planning the inventory to the point
of reaching the merchandise to the customers. SCM is an integrated process
where every activity is interlinked with the system for information throughout
the cycle-time of each step of the process so that timely action can be taken.

**Logistics:** The logistics function plays an important role for Organised Retail as
the economies of scale are mainly on account of centralized sourcing systems.
The high logistics cost also forces the retailers to trade off between availability of goods to the customer and high inventory costs.

*Marketing:* Marketing strategies in retail consist of both ATL and BTL marketing activities. ATL strategies help in building the brand image of the company and create lots of visibility among the customers. BTL activities concentrates more on in-store promotion activities like schemes, spot discounts etc. The challenge for Organized Retail is to ensure both high footfalls and conversion ratio. Increasing the average Ticket Size is one of the main concerns for a retail outlet. Effective CRM strategies such as loyalty programmes play an important role in achieving these objectives.

*Corporate Services:* Corporate services are support functions such as Finance, HR, IT, Administration. IT and HR functions are increasing in importance. IT plays a key role in improving the efficiency as well as CRM activities.

*Human Resource Management (HRM):* This is an important function in retail organization because of the people oriented nature of the retail business. It involves manpower planning, setting of manpower standards, recruitment process, inducting employees into the system, compensation and benefits, training and development, performance appraisal, rewards & recognition, disciplinary issues, final disengagement and employee engagement activities.

*Finance:* The Finance function influences the profitability of retail stores. In this function, budgeting for the retail operations, adequate cash flow, taxation,
statutory requirements, cost control, allocation of fund to various functions and monitoring it closely happen in a very systematic manner.

**Table 3.3 Sample Job Description of Head- Retail Store Operations**

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Head, Retail Store Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level / Band</td>
<td>Manager</td>
</tr>
<tr>
<td>Department</td>
<td>Retail Store Operations</td>
</tr>
<tr>
<td>Location</td>
<td>HO, Mumbai</td>
</tr>
<tr>
<td>Reports to</td>
<td>Functional: Director &amp; CEO</td>
</tr>
<tr>
<td></td>
<td>Regional/ Administrative: Director &amp; CEO</td>
</tr>
<tr>
<td>Reportees</td>
<td>Direct: Store Managers</td>
</tr>
<tr>
<td></td>
<td>Indirect: Store Staff</td>
</tr>
</tbody>
</table>

**Purpose of the job:** The purpose of the position is to have direct responsibility for the Retail Strategy and Business operations. The key responsibility will be towards integrating the strategic retail plan and allied initiatives with overall operations and strategizing and ensuring effective implementation, growth and maximization of the revenues and profitability of the organization.

**Accountabilities:** Accountable for:

1. Store opening and store set up
2. Profitable Retail Operations
3. Sales forecasting & Store budgets
4. Efficient store administration
5. People development
6. Inventory & OTB planning
7. Strategic expansion
Responsibilities:

- Achieve both top line and bottom line growth targets of all the stores of the company. Review and report store performance every week/month.
- Ensure proper assortment mix and planogram for each store.
- Institute standard store operating processes to improve overall store performance of all key functions to bring about and maintain operational efficiencies and service levels.
- Do effective stock planning and control inventories, reducing wastage.
- Ensure standards are followed for efficient customer deliveries – both door deliveries and over-the-counter.
- Monitor and review business regularly and workout/implement strategies for improvement.
- Pro-actively seek out promotional initiatives; those can be integrated with new variant/recipe opportunities.
- Coordinate with Product Development giving customer feedback on quality and new variant/recipe requirements.
- Ensure overall improvement in company’s offerings in terms of product range and presentation and uphold VFPL/NBC brand image through good visual presentation.
- Understand customer needs and wants and to effectively plan a merchandise mix at all retail stores to satisfy them.
- Budgeting& Target Setting: Yearly Sales target for the Retail Stores and achieve the same
- Overall responsibility for setting norms of advertising, promotion and merchandising to enhance the brand value.
- Formulate strategies for creating customer retention schemes and loyalty programs.
- Overall responsibility of all the retail stores: Create system to streamline the reporting mechanism and communication channels with an objective of enhancing productivity and motivation of retail staff.
- Conduct sales, service and product processing and marination training programs regularly
- Implement processes for continuous analysis of Product, Customer, Competitor data and trends and formulate corrective actions and growth plans on basis of these.
- Appraise performance on the achievement of targets against predefined objectives and recommend career progression decisions for subordinates with the aim of motivating and retaining employees.
- Train, develop and mentor subordinates who will be able to take leadership positions in future.

Contacts:

<table>
<thead>
<tr>
<th>Internal</th>
<th>Product Development &amp; Supply Chain, HR, Finance Department, Creative &amp; Marketing in-house and group companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>External</td>
<td>Vendors, Associates in the functions of Store Planning &amp; Store Design, Equipment Manufacturers, Branding Agencies Business Partners, others, etc. as required.</td>
</tr>
</tbody>
</table>
### Educational Qualification

<table>
<thead>
<tr>
<th>Essentially required</th>
<th>Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>MBA/PGDBM from a Tier I/II good institute.</td>
<td></td>
</tr>
</tbody>
</table>

### Experience

<table>
<thead>
<tr>
<th>Essentially required</th>
<th>Desirable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience as head of a large Sales team in any Retail operating set up is required. Should ideally have through knowledge in Store operations, Merchandising, Supply chain. Should have experience in managing a number of retail outlets preferably QSRs.</td>
<td>Exposure to the unique management style of family owned – professionally managed companies will be beneficial.</td>
</tr>
</tbody>
</table>

### Skill Summary:

<table>
<thead>
<tr>
<th>Functional Skills</th>
<th>General Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store Planning</td>
<td>He/she should have excellent leadership skills, good decision making skills, effective communication skills, performance analysis skills, planning and relationship skills should be a team leader and ability to handle large team.</td>
</tr>
<tr>
<td>Retail Strategy Development</td>
<td></td>
</tr>
<tr>
<td>Brand building &amp; Visual Merchandising</td>
<td></td>
</tr>
<tr>
<td>Operational efficiency</td>
<td></td>
</tr>
<tr>
<td>Customer Service</td>
<td></td>
</tr>
</tbody>
</table>
3.4.4 Manpower Planning Processes

Since manpower costs form a major part of costs for the retailer, the decision on how many people it should have is critical and has a bearing on standards of performance and productivity. Most important, it affects the kind of service that a retailer may like to offer. Very often, retailers are so busy managing operations that the key issue of manpower planning is relegated to the background. But they fail to understand that a proper plan can perhaps improve performance on many fronts— the smoothness of operations, customer service levels and profitability (Vedamani, 2013)

The following factors are to be considered while doing Manpower Planning:

*Business Planning:* The starting point in retailing, as in all businesses, is the annual plan. With this plan, the retailer decides on the volume and value of businesses that he/she intends to accomplish. This has a direct effect on the number of people the retailer needs to recruit in the future. For example, a retail organization needs to plan and recruit for a new store opening. This may start with an arithmetic calculation using current store manning standards as a basis. However after this, the number has to be revisited looking at other aspects that are mentioned below.

*Manning standards and utilization:* Developing manning standards helps optimize the number of staff. As each season passes, the retailer finds that the standards get more refined and applicable for the purpose of performance development. Factors that influence manning standards are:
Work-task organization: Assuming that one is opening a new store, or is re-examining jobs with a view to redesign them more effectively, the retailer has to decide which tasks to group together to form a particular function. This will mean a work-task analysis with reference to functions that characterize retailing, buying, selling, storing, transporting, financing, information gathering and risk-taking. The retailer needs to identify tasks and map them into jobs depending on the chosen method of organization.

Store positioning or image: The number of staff hired is often dictated by the positioning of the store. For example, a high-fashion boutique store promising exclusive service will need to ensure that every customer who walks in is attended personally. On the other hand, a supermarket or a discount store format can afford to have less number of staff to help the customer.

Store strategy: Sometimes store strategy for the year might dictate a change in staffing pattern. For example, a store that is experiencing a new business scenario such as a competitor setting up store in its vicinity may want to increase staffing and provide better service as an immediate strategy to retain the customer. Another example could be an introduction of new merchandise—new employees who have that technical or product knowledge have to be hired in large number.

Productivity requirements: For the retailer it is imperative that he evolves his own tangible standards of productivity and as a corollary, manning standards. The standard could be per square foot coverage per employee, per square foot
sales per employee, or gross margin return on labour (GMROL). Retailers often use GMROL as a good indicator / standard. However GMROL should be taken into account in conjunction with gross margin return on space and gross margin return on inventory (GMROI). The objective is to optimize and not maximize GMROI, failing which a situation may arise when staff numbers are cut to increase GMROL and thus lead to deterioration in customer service.

*Type of sale:* While arriving at manpower numbers, it is important to examine the product and the type of sale involved. For example, routine products like toothpaste or soap can be sold in a dispenser with minimum employee interface. A specialty product such as a branded shirt (whose sizes are standardized across brands) also does not require a great deal of interface. A consumer can buy a black shirt, size 40 by merely locating it (with the help of signage and shelf talkers) and putting it into a shopping basket. A salwar kameez on the other hand is a ‘shopping product’ that requires (for explaining the cut, fabric, sizing and assistance for trials) when the selection is being made.

*Ratio of manpower costs to volume of sales:* At a macro level, this is a good method of planning manpower. Retailers can fix a percentage of sales turnover to be utilized on manpower costs. Micro planning can then be made within the limit.

*Shifts, opening days/hours, holidays, leave entitlement:* The total number of staff depends on the shifts planned and ideally should coincide with the flow of
customer traffic. This is a complicated process, with the quantum of leave allowed, weekly offs, holidays etc., to be taken into account when planning.

*Level of service to be offered:* A customer-focused method of looking at staffing numbers is to decide on the level of service to be offered. For example, on a particular floor, the retailer needs to decide how many service personnel should be present at a given time (like peak customer traffic time). Then staff strength should be decided after making allowances for leaves, weekly offs, staff breaks, back office work etc. that takes them away from the customer. It is important to device a method to track availability of staff for the customers, to ensure that the targeted numbers are available.

### 3.4.5 Recruitment

As retail industry is growing big, demand for trained manpower to handle this tremendous expansion keeps increasing. Retailers across the world face a scarcity of trained manpower. And because of the high employee turnover rates, they are saddled with constant recruitment activity. Raging Competition especially from e-commerce companies and companies from manufacturing & wholesale business background entering retailing is pushing up the manpower cost as organizations are struggling to attract and retain the right talent for them. Recruitment and selection has two objectives: (a) to recruit the right person for the job and (b) to ensure that the right person is not rejected. The retailer has several options in terms of types of employees with a view to maximize productivity and minimize costs.
Recruitment Process: The recruitment and selection process is of paramount importance in order to recruit staff with the necessary skills and attitudes to fulfill the company’s objectives. Sourcing is done through internal resources and external resources.

Internal sourcing: Organizations are building teams within the company with focus on succession planning. This has created a potential internal job market with skills and expertise that they can leverage on for future growth. It provides a platform for the internal employees to achieve their career aspirations. The organization also will get employees who are culturally oriented and home grown. The criteria for applying to these internal job posting are defined by the HR team. Generally it specifies experience and rating in previous appraisals. Vacancies are posted through the Internal Communication Channel and applications are invited. The applicants will send their application with the consent of the existing reporting authority to ensure transparency in the selection process. The applicants will go through the general selection process and if selected will be relieved from their current department and transferred to the new position.

External Sourcing: Sourcing approval is got from the respective Business Head and the Head of People Office and the following modes of sourcing are used:

a) Advertisement in print media – if the position needs more people, advertisement is given in local newspapers for walk in interview. Whenever new store is opened, such sourcing method is used.
b) Job Portal - People Office use job portals based on parameters like cost, usefulness and responsiveness. There are set of logins available for the People Office recruitment team to log on and check on resume available

c) Recruitment Consultants - This is a more trusted and cost effective method and the organization empanel a set of recruitment consultants to work with. Recruitment is done only for middle and senior management positions through this method. The consultants are paid a certain percentage of the annual salary fixed to the candidate.

d) Social Media - This has become a powerful media as more and more people are connected through various social media vehicles like Facebook, LinkedIn etc. Jobs are posted in these sites for many positions. This also proves cost effective as these are all free media options.

e) Employee Referrals – This referral scheme works well in junior management positions. Organizations also incentivise this scheme. The employees are paid certain amount for the candidate they referred is selected

f) Selection Process – The shortlisted candidates go through various methods of selection according to the demands of the position. Psychometric Analysis, Tests, Group Discussion, Simulation Exercises and Personal Interview are some of the methods of selection process.

There is a unique recruitment process practiced in some of the traditional, family owned retail organizations. This is common in sectors like Apparel Retail, Jems and Jewellery. Young people are recruited from villages
and are brought to cities to work in retail stores. The companies take care of their Travel, Boarding and Lodging. There are special dormitories and community kitchens are organized for their stay. The employees support their families way back in villages with their salary saved. These employees show tremendous loyalty to their organizations.

3.4.6 Types Of Employees In Retailing

In retailing, employees are classified as various types based on their terms signed up with the employer. The types of employees are governed by the organizational policies, the retail environment such as the nature of the tasks and retail store working hours and the regulations stipulated by the governments. The following are the key types of employees as recruited by the various retail formats:

**Core Employees:** These include full-time employees and critical resources that take time and training to build up. They are on the rolls of the company and could also include frontline sales staff.

**Short-term Contract Employees:** These are on the rolls of the company for a specified duration, following a mutual agreement between them and the retailer. This is a useful option in the peak season – Diwali to December – when many retailers may chalk up more than 50% of their sales and need as many staff as they can get.
Trainees: These are trainees mostly students who would be doing their graduation and post graduation degree in management and other disciplines who could be working and learning on the job usually for a specified duration.

Part timers: This is an arrangement commonly used in countries where retailing is a developed phenomenon. These employees are on the rolls of the company but work for a specified short duration every day (for example, four hours) and get paid on the hourly basis. Popular choices for part timers are college students and housewives. Using part timers helps adjust employee availability with customer in-flow. Generally they are engaged for tasks like setting up the store and stacking up merchandise before its open to the customers.

Consultants / Retainers: This option is used to avail of the services of specialists who may otherwise be too expensive to employ and whose expertise may not be needed on a regular basis like legal experts or fashion design consultants.

Sub–contracted Employees: Sub contractors are awarded jobs within the company, but are not part of its core competence. Outsourcing is gaining popularity since it works out to be more cost effective. In retailing these areas typically are housekeeping, security, transport, accounts etc.

Self-employed Agents: These include commission agents not on the rolls of the retailer who operate outside the store and are instrumental in bringing in
customers. These agents get a percentage of the business they bring in like taxi drivers bringing in tourists, tour operators who bring in their own customers to the store.

*Agency Temporaries:* These are staff from agencies normally used for very short duration for promotions or events within the store.

### 3.4.7 Issues And Concerns Regarding Retail Manpower

With more than half of India's 1.2 billion population aged below 25, shortage of manpower in the retail sector seems to be highly ironical, but a fact nonetheless. According to a KPMG-FICCI study (January 2006), the Indian retail industry is set to face critical manpower and capacity shortage in the face of the rapid growth projected for it. The attrition levels, which currently are low compared to global standards, will rise in the coming years as the war for talent across the industry intensifies and modern retail expands. Socio cultural issues, the nature of job itself, lack of formal education and lack of skilled manpower are the main concerns regarding Retail Manpower.

*Socio cultural issues:* The cultural and social mindset of our country makes it even more difficult to motivate the youth to enter the retail sector. Retail jobs are not much sought after by young people as it is considered as low paying and much time demanding one. The young people don’t understand that every retail store is a profit center dealing with crore worth of merchandise. Besides this in part time and casual job, there is less job security. Retail employees need to work on festival days as well due to big business prospects. They seldom
spend their time along with their family during festive seasons and this creates lots of stress in their personal life.

*Nature of retail job:* The tiring nature of Retail Job demands long working hours more than that is required of shift duration. The employees also need to stand in the store throughout the shift time and it leads to fatigue and muscular pain. They also develop occupational hazard like respiratory problems due to the conditioned environment in which they work for long hours. Generally most of the retail employees need to work on weekends and their weekly off will be scheduled on a weekday. This contradicts with the weekend holiday of his/her family. So personal family time in the employee’s life is affected leading to lots of stress in life. This stress leads to lots of health issues like deprivation of sleep, anxiety among the employee. This results in lower motivation with the employees.

The salary levels are very low in retail industry. The Customer Service Associate who is selling products behind the counter is paid only around the Minimum Wage of that particular region. With high cost of living in Tier 1 and 2 cities and the demanding nature of retail job, it is not a lucrative job option with people. There is a high level of attrition in the front-end positions of retail sector, as employees don’t hesitate to shift even for a meager increase in their salary. So the employees are not very loyal to their organization.

There is less prospects of career growth for the frontline employees. Of the total manpower 70% of retail employees are in the frontline positions. There aren’t enough hierarchy levels for them to grow in their career. So
organizations are finding it difficult to retain them for a longer period in the same position.

_Lack of formal education:_ The employees join as Customer Service Associates after completing their Higher Secondary Education (10+2). The retail job depends much of their time that they lose out on opportunities to further their education. Promotional opportunities also become elusive since they haven’t upgraded themselves in their educational qualification. Of two employees with same work experience, the one who has higher educational qualification stand a better chance of getting promoted. Higher education gives them a broader perspective of retail industry and makes them feel more confident servicing customers. These opportunities are rare at present for the retail employees. This discourages them.

_Lack of skilled manpower:_ The behavior pattern of the Indian consumer has undergone a major change. This has happened as the Indian consumer is earning more now and he has western influences. The women working force has an increasing desire for luxury items and she seeks better quality. Consumers now want to eat, shop, and get entertained under the same roof. All these have led the Indian organized retail sector to give excellent service in order to satisfy the Indian customer. So there is a big demand for trained manpower to handle this tremendous expansion keeps increasing. The retail manpower has to be a qualified one with appropriate skills and knowledge to understand customer needs and service them. There is a huge gap in supply of
quality manpower against the demand. There is a huge scarcity of skilled retail professionals in the country. Our education system hasn’t given retail education, the required importance and only very few institutes are offering retail programs. Even these institutes concentrate more on theoretical knowledge of retail functional areas and not on practical experience in retail stores. And the irony of the situation is that India has over 40 lakh unemployed graduates at a time when employers are desperate for talent! What we need are more institutes dedicated to retailing in India to address this ever-widening lacuna. This also might be due to the fact that retail has never been considered as a prominent, lucrative profession in India. Employee Turnover in frontend positions in retail sector is a huge concern. Most of the big business houses strong in manufacturing also have ventured into retail sector. Eg- Tata, Aditya Birla and Reliance Ltd All these organizations are looking at the same pool of skilled manpower for their retail business. This has increased the demand for a very limited skilled manpower available in the country. This results in continuous manpower churn in retail sector. Companies poach these employees luring them with higher salary, designation, perks etc.

*Government initiatives to bridge the skill gap in retail sector:* India is going to face a daunting challenge by 2022 as the country will see a manufacturing skills gap of nearly 90 million workers – almost twice the current figure – and some 500 million workers across all skilled sectors. India’s National Skills Development Corporation (NSDC), a non-profit company, aims to help solve this problem. Over the next 10 years, the NSDC aspires to create 150 million
skilled laborers across 21 sectors that meet or exceed international standards. A main thrust of the NSDC’s mission resides in the promotion of skill development through the funding – either through loans or equity – of large, quality, for-profit vocational training institutions, programs that are proposed by way of private (both for profit and not for profit) sector initiative. It is truly a demand-led model, designed to develop and supply the talent needed by the private sector to grow. Formed in the 2008-2009 budget year, the NSDC is driven by the private sector, which maintains control of 51% of the partnership and holds eight of the 13 seats on the board. The National Skill Development Fund, which enables the NSDC’s financing operations, is a government-owned trust and is run by professional fund managers. Initial funding for the NSDC was 10 billion rupees (US$ 185 million). Current funding stands at 25 billion rupees (US$ 462 million).

To address the skills gap and prepare Indian workers to fulfill the future needs of employers, the NSDC plays three key roles.

To develop the market: The NSDC identifies critical skill groups, designs models for skill development and proactively encourages large-scale participation by private players in skill development.

To make the market: The NSDC benefits its selected private sector initiatives through several vehicles – primarily loans, equity, grants and tax breaks. NSDC’s longer-term objective is to support training programmes that are based on self-sufficient business models – diminishing the roles of outright grants.
To support the market: The NSDC and partner industry organizations work jointly in establishing standards in accreditation systems. The NSDC actively seeks to shape the curricula of training programmes and other development activities. It also sets forth quality criteria in faculty, technology platforms and student placement mechanisms.

Retailers Association Skill Council of India (RASCI): RASCI is a not-for-profit, independent public limited organization established under Section 25 of the Companies Act. It’s been funded by the Government of India along with Equity participation from Retailer’s Association of India, Reliance Retail Ltd., Future Retail India Ltd., Shoppers Stop Ltd., Globus Stores (P) Ltd., Trent Ltd., Infiniti Retail Ltd. and Connaught Plaza Restaurant (P) Ltd. to function as the Apex Skill Development Council for the Retail Industry. RASCI represents the retail industry in India. RASCI is a collaborative and comprehensive source of retail expertise and independent advice for industry, training organizations, educational institutions, certifying bodies, employees, students or jobseekers about skills development in the retail industry. Its mandate is to make available trained manpower in quality and quantity for entire value chain requirement in
retail sector. RASCI plays the following key roles for retail industry: To develop National Occupational Standards (NOS) for all relevant roles in the Retail Industry, to create a well-structured labour market information system, to accredit training partners, to certify trainers, to assess and certify learners,

Research and consulting firm, Great Place To Work Institute and Retailers Association of India (RAI) came together to recognise India's Top 10 Best Retail Companies To Work for in 2014. The companies were considered on the basis of five dimensions: credibility, respect and fairness, pride and camaraderie. By executing practices across areas such as inspiring, speaking, listening, developing, caring, thanking, hiring, celebrating and sharing, an organization can create and maintain a good workplace environment. The Top 10 companies are found in the following table:

Table 3.4 Best 10 Retailers to work for 2014

<table>
<thead>
<tr>
<th>The Best 10 Retailers To Work 2014</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lifestyle International Pvt. Ltd.</td>
<td>1</td>
</tr>
<tr>
<td>Titan Company Limited</td>
<td>2</td>
</tr>
<tr>
<td>Shoppers Stop Limited</td>
<td>3</td>
</tr>
<tr>
<td>United Colors of Benetton India</td>
<td>4</td>
</tr>
<tr>
<td>Future Retail</td>
<td>5</td>
</tr>
<tr>
<td>Metro Cash &amp; Carry India Pvt. Ltd.</td>
<td>6</td>
</tr>
<tr>
<td>Marks and Spencer Reliance India Pvt. Ltd.</td>
<td>7</td>
</tr>
<tr>
<td>Puma Sports India Pvt. Ltd.</td>
<td>8</td>
</tr>
<tr>
<td>Jubilant Food works Ltd.</td>
<td>9</td>
</tr>
<tr>
<td>Levi Strauss (India) Pvt. Ltd.</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Study By Great Place to Work & Retailers Association of India, 2014
3.5 A CASE STUDY OF THE EDUCATION INITIATIVES AT FLFL

Employee engagement is a process by which any progressive organization may get to retain its employees. Fostering relevant education and skilling programmes to employees may add value to the employees while they may be engaged with the organization completely with enthusiasm and un-fatigued. A case study of the education initiatives at Future Lifestyle Fashion Ltd (FLFL) was done to understand the impact of the education initiatives in the organization on employee engagement.

RM Report (2009) has studied the levels of employee engagement in various countries. India tops the list with 45 % of engaged employees in retailing followed by USA and New Zealand with 44 and 43 % respectively.

**Figure 3.4 Levels of employee engagement in Various countries**

![Bar chart showing percentage of employee engagement across various countries.](chart)

*Source: RM Report, 2009 Table 1.7*
Employee engagement has become a highly acclaimed HR practice in the efficient management of organizations recently. It is a hot topic discussed in various HR Forums but often less understood and practiced in an organized manner. Retail Industry which is a people intensive industry is realizing the importance of using employee engagement as a HR practice to retain their employees with them for a considerable period of time to ensure the stable and sustainable growth of the organization. Retailers view the collective energy of their workforce as one of their biggest assets in sustaining them in their organization. Organizations seem to involve themselves in various activities to engage employees without even having proper understanding of the practice. Some organizations cling to certain practices without objectively analyzing and understanding what engages the employees in an effective manner. Research has found that engagement is mainly driven by the extent to which employees feel they are valued by, and involved with their organization. Sub-drivers, however vary between and within organizations, which point to the importance of employers having an in-depth understanding of engagement in their organization (Robinson, et al, 2004). Employee engagement is a practice if well understood and practiced, can help employees in an organization not only be engaged with the organization with belongingness but also it can help employees work with organizations for longer periods of time effectively. It can bring a win-win situation for both the employee in terms of productivity and the organization in terms of achieving its business objectives well.
3.5.1 About Future Group & Future Lifestyle Fashion Limited (FLFL)

The very successful entrepreneur Kishore Biyani completed his management education from K.J.Somaiya Institute of Management and even during his student days in the early 1980s he sold trouser fabric lengths in an innovative way. He engaged the part time service of students who would visit offices in Mumbai and sell fabric in equated monthly instalments. He helped students earn money while they learnt the art of selling under his guidance. Biyani also enjoyed his innovative selling and made his money. He set his eyes on retail at an early age and opened a small store near the Andheri railway station to sell his trouser fabrics and called it Pantaloon. His retail business grew as he opened many franchised outlets and he wanted to develop his own in-store brands. He conceptualised brands like Bare, John Miller, Urban Yoga, etc. During the time when large departmental stores were established in the early 1990s he un successfully sought to place his brands with them. He decided to open his own large format stores. In 1997 he opened his first sprawling 15,000 sq.ft Pantaloon Retail store in Kolkata which even today does good business. The rest is history with the successful launch of Pantaloon large format apparel store in many locations. Going forward he diversified into food and grocery retailing and focused on value for money concept. He launched the Big Bazaar format since 2001 and quickly opened more than 100 hypermarkets before the turn of 2008. The company soon became the largest retailing organization in India. Pantaloon Retail India Ltd became a force to reckon with in Indian retailing. Even during the early days in 1992 Pantaloon Retail India
Ltd became Public and became a listed company. In 2004 the company launched the seamless mall concept under the brand name Central. Since 2005 the organization started moving beyond retail and formed a retail real estate infrastructure and investment fund company Kshitij. The same year the group acquired Galaxy Entertainment, Planet Retail and Indus League Clothing. Since the early 2000 the company was rechristened as Future Group with the caption ‘Rewrite Rules and Retain Values’. Apart from launching new retail ventures like Hometown the group entered into Joint Venture with US office stationery retailer Staples and signed agreement to launch insurance products with Italian Insurance major Generali. In 2006 Future Group formed its financial arm Future Capital Holdings to manage over $1.5 billion in real estate, private equity and retail infrastructure funds. The group crossed $1 billion turnover mark in 2007. Specialised companies in retail media, logistics, IPR, brand development, retail led technology services became operational the same year. The group was awarded the International Retailer of the Year Award by the US based National Retail Federation and the Emerging Retailer of the Year Award by the World Retail Congress held in Barcelona. In 2007 the group established its online sales vertical Future Bazaar.com. Future Capital Holdings has become the second group company to make a successful Initial Public Offering (IPO) in the Indian Capital Market. The same year the total operational retail space exceeded 10 million sq.ft. Future Group acquired the rural retail chain Aadhar from the Godrej Group which had presence in 65 rural locations. In 2009 the Future Group commissioned its Future Innoversity
with campuses in Ahmedabad, Bengaluru, Kolkata and Delhi to offer degree programs with tie up with Indira Gandhi National Open University. A tie up with the Hong Kong based Li & Fung was forged to strengthen its supply chain and logistics network across the country. Since 2011 the company has transformed itself to become more competent. With a good number of promotional programs in its various formats the innovative Public Holiday Sales was launched in 2012 and since then its been a major success. In 2012 the Pantaloon brand was acquired by A V Birla Retail Ltd. Innovative food format Foodhall was launched as a premium lifestyle food destination in Pune. A significant achievement for Future Group is the establishment of the first mega food park at Tumkur, Karnataka. Many formats like Ezone and Home Town were transformed with the new and restructured management models. Future Learning and Development Ltd has subsequently became an independent arm of Future Group to focus on learning and development and training initiatives for the retail industry at large. In 2014 the Group acquired Nilgiris in South India and forged a joint venture with Bharti Retail to operate the Easy Day stores in India. The Future Group has a strength of more than 35,000 employees. 25 years ago the Group began its retail journey and today it stands as one of the pioneer retailing organisations in India.

Many retail organizations in India have grown in the last score of years and Future Group is the one which has attained leadership position in organized retailing in India. The group has got Big Bazaar, Food Bazaar, fashion @ big bazaar, Foodhall, Home Town, Ezone and Central as its key retail formats and
till recently Pantaloon Retail India Ltd. The dynamics of its people engagement policies and practices applicable to such a large number of employees may be of any researcher’s interest to study and it is worthwhile to make an attempt to understand and study the various aspects of employee engagement. The exponential growth of the Retail Formats of Future Group was supported by robust Employee Engagement Policies like Educational Initiatives. Responses from a random sample of beneficiaries of these initiatives were taken to assess the effectiveness of the engagement initiatives on Organizational Development of Future Group. The effectiveness of these initiatives can be used for benchmarking the best practices in retail industry. In such a scenario employee engagement may play a major role in helping employees perform well on a regular basis while containing attrition. The study that has been proposed can help achieve the following:

✓ To understand the levels of employee engagement in Future Group’s FLFL.
✓ To study the gaps if any, between organizational and employee perception about employee engagement
✓ To find how effective are the employee engagement initiatives of the organization both in retaining talents and in increasing performance levels
✓ To help the organization (and the organizations in similar businesses ultimately) to take up the right kinds of initiatives by studying the
effectiveness of such initiatives in Future Group’s FLFL so that it can help employees to be fully engaged.

3.5.2 Education Initiatives at Future Lifestyle Fashion Ltd (FLFL) Impacting Employee Engagement

The study shows that majority of the workforce - to the tune of 70% in FLFL - is in the frontline sales category. The basic qualification for this grass root level of employment both in frontline and backend operations in Organized Retail is generally 10+2 secondary education. These employees start their career soon after their school education due to various reasons like economic compulsions, desire to earn and be independent at an young age, dropping out of school to learn a vocational trade and the like. In the course of gaining experience and making a career in retail, they realize the importance of education as a critical factor in their career development. Formal education in their domain can equip them with the knowledge and skill inputs to shoulder more responsibilities in their career and groom them into a leader. When an organization acknowledges and fulfills their desire to pursue their studies it becomes a nurturing and engaging organization. The study reveals that FLFL helps in fulfilling this desire through two distinct employment engagement policies in the education domain: ‘Seekho’ and ‘Shishya’.

‘Seekho’ – A Call to Learn’ addresses the education employment disconnect/gaps in employees and the need for trained, qualified personnel. Under the Seekho programme, the company integrates backwards by liaising
with Universities, colleges, business schools, ITIs, Training Centers, Government Bodies, NGOs etc across India to facilitate training and educating potential manpower in the various facets of retail business and related areas.

Graduate Program in Retail Management, BBA Retail Services: The distance learning undergraduate programme in retail management has been designed to cater to the desire of internal employees who want to pursue a formal education while they work. This program is offered through association with Madurai Kamaraj University and Indira Gandhi Institute of Distance Education. Future Innoversity, the education vertical of Future Group liaison with the universities and facilitates the admission, contact classes, assessment and certification of the program. Employees are encouraged to apply for the program as it will improve the prospects of their promotional chances and increase their self-confidence with enhanced capabilities. This course is found to have not only fulfilled their desire to become a graduate but also to give employees the much needed domain expertise and the confidence that comes along with it. Since the course is offered through distance learning the employees are able to complete the course and continue working simultaneously. The study shows that the retention of employees with the company has got a great boost through this employee engagement initiative. The following table shows the details of the number of employees enrolled for BBA Retail program through Distance Learning year-wise:
Table 3.5 Details of No. of employees enroller for BBA distance learning year-wise

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>University</th>
<th>Employees enrolled</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>Madurai Kamaraj University</td>
<td>611</td>
</tr>
<tr>
<td>2007</td>
<td>Madurai Kamaraj University</td>
<td>514</td>
</tr>
<tr>
<td>2010</td>
<td>Indira Gandhi National Open University</td>
<td>717</td>
</tr>
<tr>
<td>2011</td>
<td>Indira Gandhi National Open University</td>
<td>252</td>
</tr>
<tr>
<td>2012</td>
<td>Indira Gandhi National Open University</td>
<td>154</td>
</tr>
</tbody>
</table>

The following table shows the regionwise spread of employees enrolled for BBA Distance Learning Program (2011-12):

Table 3.6 Region wise Spread of employees enrolled for BBA distance learning (2011-2012)

<table>
<thead>
<tr>
<th>Study Center Location</th>
<th>Semester</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ahmedabad (DLP)</td>
<td>Semester II</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Semester III</td>
<td>19</td>
</tr>
<tr>
<td>Ahmedabad (DLP) Total</td>
<td></td>
<td>24</td>
</tr>
<tr>
<td>Bangalore (DLP)</td>
<td>Semester II</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Semester III</td>
<td>21</td>
</tr>
<tr>
<td>Bangalore (DLP) Total</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>Delhi (DLP)</td>
<td>Semester II</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Semester III</td>
<td>47</td>
</tr>
<tr>
<td>Delhi (DLP) Total</td>
<td></td>
<td>50</td>
</tr>
<tr>
<td>H.O. Mumbai</td>
<td>Semester II</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Semester III</td>
<td>20</td>
</tr>
<tr>
<td>H.O. Mumbai Total</td>
<td></td>
<td>29</td>
</tr>
<tr>
<td>Kolkata (DLP)</td>
<td>Semester III</td>
<td>26</td>
</tr>
<tr>
<td>Kolkata (DLP) Total</td>
<td></td>
<td>26</td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td>159</td>
</tr>
</tbody>
</table>
Post Graduate Courses in Retail Management: The programmes at the post-graduate level offered are MBA Retail and Post Graduate Program in Retail Management (PGPRM). FLFL has tied up with ten Management Institutes across the country, which have introduced a Post Graduate Program in Retail Management. These post-graduate level programmes are found to encourage the employees to enhance their productivity through development of their internal potential and retail skills. The employees are allowed to go on a sabbatical to attend a Full Time Educational Program. All the employees who have completed one year with the organization and with an ‘excellent’ rating in the last appraisal may apply for the programs announced under ‘Seekho’ policy. The selection criteria for each program are prescribed based on university norms. FLFL sponsors the course fee for the selected employees.

Future Innoversity the education vertical of Future Human Development Ltd launched MBA Retail program in 2010 in association with Indira Gandhi National Open University. FLFL employees selected under ‘Seekho’ Policy also do their two-year full time MBA Retail program with Future Innoversity. The following table shows the details of FLFL employees enrolled in the 2010-12 batch of MBA Retail with Future Innoversity.
Table 3.7 Details of employees enrolled for MBA retail

<table>
<thead>
<tr>
<th>Campus</th>
<th>Batch Year</th>
<th>No.of students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ahmedabad</td>
<td>2010-2012</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>2011-2013</td>
<td>12</td>
</tr>
<tr>
<td>Bengaluru</td>
<td>2010-2012</td>
<td>03</td>
</tr>
<tr>
<td></td>
<td>2011-2013</td>
<td>02</td>
</tr>
<tr>
<td>Delhi</td>
<td>2010-2012</td>
<td>05</td>
</tr>
<tr>
<td></td>
<td>2011-2013</td>
<td>03</td>
</tr>
</tbody>
</table>

Future Innoversity also has launched a Post Graduate Program in Retail Management in association with Retailers Association of India. Future Group employees selected through ‘Seekho’ Policy join these programs and get a post graduate degree in retail management. As the leading company in the retail domain, Future Group professionals have played a key role in developing the course right from the development of course content, offering guest sessions to orienting the faculty towards various retail functional subjects. All Future Group employees who have been through this course have developed a stronger bond and sense of belongingness to the company. The ‘Seekho’ team is always working towards improving the existing programs and also in developing new programs to cater to the education needs of all levels of people in the organization and thus creating a positive impact on the society.
*Shishya Policy:* At FLFL this is devised to encourage the Karta Culture (leadership) among the employees through external programmes of their choice under any accredited institution. This policy provides an opportunity to the employees to develop and enhance their skills and knowledge through various educational and learning programs, which will contribute to their role or help them in their career advancement. This policy encourages and rewards consistent and productive employee by aiding with career development through participating in appropriate higher education programs. All employees can avail this benefit. They should have completed a year with the organization and should have got an excellent rating in the last appraisal. The total value of the benefit can be availed once in three years from the date of eligibility. The eligible employees can attend Workshops, Seminars and Training Programs. Employees can be recommended for Courses/Programs, which are relevant to enhance their skills/knowledge required for their role or career advancement. The study shows that 520 employees currently attend these programs outside their working hours without compromising on their commitment to their existing job responsibilities.

*Technical Learning initiatives:* SEVA - Seva is an internal initiative in FLFL where the employees with domain expertise in various functions like MS Office, Cashiering, etc., conduct sessions for their colleagues on their respective technical areas.
LEAP – Leadership Excellence Advancement Program has a career progression center. This centre has been created in the organization to identify prospective store managers. This is a training tool used to upgrade front end people to take up supervisory roles.

Employee Recognition Initiatives: KATHAVAMA – This is an initiative conceptualized and executed in the organization for recognizing excellent customer service being offered by frontline sales employees. The best customer service incident is shared through internal communication. This information reaches all the employees and they too are motivated towards offering excellent service to the customers. This information also is put up on the notice board for other employees and customers to see.

INTERNET ACCESS – Internet access to all Band 1 employees – Recognizing the employee need to be connected this initiative is undertaken by the company. Providing internet connectivity to the employees is an initiative implemented for fostering better communication among the employees and the management.

Nurturing Hobbies: An initiative to nurture hobbies for employees has been undertaken in the organization with the singular purpose of helping employees to develop their talents more and to help them do what they like the best during their leisure time. The following are the examples of such initiatives:
To inculcate reading habit, a library has been established in the organisation and thought provoking books are added every week to the library. Employees are encouraged to read and borrow books from the library.

Training session on photography – In association with the professional imaging organization, Sony, FLFL has set up photographic training sessions where employees could gain additional knowledge about their passion and hobby of photography.

Fulfilling Unique Employee Wishes: An initiative to grant rare wishes of employees has been organized especially for the Band 1 employees. Through this initiative the employees can express their wishes to the corporate HR team which will fulfill it for the employee. For eg – A Band 1 employee wished to meet the brand ambassador of ‘fbb’ brand of FLFL, a popular actor. This wish has been granted to this employee by organizing a meeting with the brand ambassador.

3.6 SUMMARY

India rapidly follows the developed economies in terms of retail growth and the global and Indian perspectives of organized retailing throw light on the prospects of the retail sector emerging as a big contributor to any nation’s economy. It however throws a good deal of challenges and manpower challenges are the ones that we focus on for this study. The nature of the retail business is solely people oriented. Manpower in retailing especially in India as seen in this chapter may play an important role for the growth of a retail
organization. Various factors are found to govern manpower practices in the retailing sector. The key factor being skill availability for the sector, it is found that many initiatives are taken by Industry bodies and the Government to help build skills for the retail sector in India. The front-end tasks in retailing demand the maximum number of manpower to serve customers. The typical tasks in retailing are unique to the retailing sector as the nature of the business is to serve customers in long spans of store operating hours. The types of employees are classified for employment based on the nature of the retail formats. Finally one has seen from this chapter that employee engagement practices in a retail organization may play a great role in building, nurturing and retaining retail talents and if the concept and perspectives of employee engagement is understood well by organizations it may bring mutual benefits both for the employees and the organizations on a long term basis. The next chapter attempts a detailed Literature Review on the research subject.

The educational and other initiatives at FLFL were studied and analysed. It was found that the various educational initiatives discussed above seem to have a positive impact on employee engagement and help FLFL retain its employees besides adding knowledge and skills to employees. The attrition rate among the employees enrolled in the education initiatives of the company, is seen to be significantly reduced. The various other initiatives like technical training, recognitions, nurturing the hobbies of employees and fulfilling unique employee wishes have been found to have impacted the employees positively
besides having contributed to employee morale and to a better employer-
employee relationship.

The ensuing chapter carries the Results and Interpretation of data
analysed for this study.