Chapter 1: Preamble

1.1 Introduction to Business Environment

Business environment refers to surrounding which effect the size of an organization. It is the generally external to any business though same elements are part of internal environment also. No business can avoid or escape the business environment. It has to adjust as per the environment. A firm has to adapt itself with the changing business environment.

For example earlier retail was only through one channel that is offline retailing through small, medium, and large stores or different stores formats. But today there is online retailing or multi-channel retailing. Hence the retailers have to adopt this so that they stay ahead in the business otherwise they will face problems of falling sales and profitability. Thus environment plays an important role in the working of any business.

Environment never remains static. It keeps on changing from time to time. As a result the business keeps on changing. It is necessary otherwise the market forces will throw the business or the firm out of the market.

Example in the case of Subhiksha retail. It started expanding the business from one store to 1000 stores. It became highly successful in the south and then entered Mumbai. It faced the heat and gradually the entire business started collapsing and closing down of business. Thus business often fails due to the internal and external environmental factors. The business has some control on the internal environment but no control on the external environment.
1.1.1 Classification of Business

Business environment can be classified as under

- **Internal**
  - Promoters Values
  - Mission, Vision Objectives
  - Management structure
  - Internal Power Relations
  - Brand Equity
  - Physical Assets
  - Research and Development
  - Human Resource
  - Marketing Capabilities

- **External**
  - **Micro**
    - Customers
    - Suppliers
    - Competitors
    - Finances
    - Intermediary
    - Public
  - **Macro**
    - Economic
    - Social & Cultural
    - Demographical
    - Political
    - Technological
    - Global

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*Figure 1: Classification of Business Environment*

Thus business can be classified as; 1. Internal Environment & 2. External Environment.

1. **Internal Environment**

   It is also called as micro business environment. It consists of factors which are within the control of the business which directly influences business performances. It is micro from the point of view. It includes promoter’s values, mission, vision, objectives. For example the objectives of Tata and Reliance are totally different.

   There is difference in values, mission and vision of the business. This will have some effect on business performance. Tata objective is making profit. Tata undertakes more corporate social
responsibilities than Reliance. Similarly their organizational structure, inter power relations may differ widely.

The other determinants of internal environment are brand equity, physical assets, research and development, human resources and marketing capabilities all these also influence the business performance. Brand equity refers to the value of the brand in monetary terms. Brand equity differs from brand to brand. Physical assets are also part of internal environment. It includes all physical infrastructure, physical facilities and ambience which also contribute to higher efficiency and productivity. Good infrastructure, state of art facilities can contribute to higher efficiency.

Human resources are the key to any organization especially service organizations like retail. In retail all business transaction are handled by employees/people only. Therefore the quality efficiency of man power is more crucial factor in the success of retail business. Employees are an asset in the organization. It includes both quality and quantity of man power.

Quantity refers to the number of staff such as managers, executives, cashiers, customer care executives, merchandisers, marketers, sales personnel, back office and front office people etc. The number of staff depends on the size of the retail operations and turnover of the business. The quantity refers to the skills, knowledge, and attitude of the employees. Such skills can be imported through training and development. Marketing capabilities are linked to the quality of man power. For example, if the staff is component, skilled and qualified then it can contribute to higher efficiency, productivity and profit of the organization.

Thus there are many factors which are internal to an organization, which contributes to productivity of the business. It is for this reason that organizations are investing in human capital so that they remain ahead in competition.

2. **External Environment**

It can further be classifies as; a. Micro Environment & b. Macro Environment.
a. **Micro Environment**

It is called micro because it is external but closer to an organization. An organization can maintain some contact or relationship with such elements. Though they are external to an organization but organization can influence them as well as affected by these factors. These elements are Customers, Suppliers, Competitors, Financers, Intermediaries, Public.

b. **Macro Environment**

It is the external environment which affects the business but business has no control on this environment. For example Mittal started steel plant in UK and not in India because during those days steel was under public sector.

Macro environment has greater impact on the business. It includes Economic Environment, Social and Cultural Environment, Demographic Environment, Political Environment, Technological Environment, Global Environment. In India apparel sector is the second largest important segment in exports after textile. The industry is not as old as a textile industry but it started very late. Textile industry consists of different segments like fire, yarn, apparel, fabric, knitting etc. Indian fiber yarn & fabric segments were well developed but apparel segment started very late & the least developed segment of this industry.

While fiber, yarn & fabric units are of large scale capacity. The apparel sector consists of small scale units. The apparel industry produces western style apparels, domestic type apparels both readymade as well as tailor made, again tailor made were most common since tradition, and the readymade sector entered the market very late .The western apparel segment account for 60% of the total apparel sector in India.

1.1.2 **Industry Segmentation**

The Indian apparel industry is highly fragmented & small in size. It is also highly labor intensive. Because of low capital requirement the unit started spreading very fast in urban & semi urban areas. It is hardly concentrated in the urban areas. The three important segment of this sector are;

1. Tailors
2. Domestic Manufactures

3. Exporters

Let us explain these segments in brief:

1. Tailors

It consists of skilled person who take up tailoring job as a profession. The industry employs 2-4 workers depending on the orders it gets. The production of garment is highly customized. (i.e. design, pattern, style) tailors stitch as per the design or order of the customer who provide the fabric to the tailor.

Tailor charges stitching rates or conversion charges which were from Rupees 150-500 or more depending upon the nature of the garment or apparel. Tailors have limited investment in machine as these machines are not very expensive. The machine was between 500 to 25,000 Rupees which depends upon the type & make of the machine.

Tailor production per day is limited to 5-10 items depending upon the number of machines & workers. Earlier tailor cost was low but gradually there is an increase in cost of stitching garment while other have readymade garment that have become much cheaper in the local market because of availability of imported apparels due to dumping of goods by china in the local market.

This decline is the process of apparel has resulted in the decline in demand for tailors. Further branch have entered the market which provide better quality of apparels in large variety & sizes.

2. Domestic Manufacturers

There are local or domestic manufacturer who manufacturers readymade apparels & supply in the local market or export it directly. There are two type of domestic manufacturer i.e. small & large. Small manufacturer sometimes undertake job work of large manufacture also the large manufacture supply fabric, raw material to small manufactures pay them their conversion charges per apparel. This helps large producer to get large quantity of apparels stitched at low cost.
The large manufacturer maintain quality checks to ensure that the apparels are of desired quality, small manufacturer mainly manufacture for domestic market, they are unorganized & have small for toner spread in slum areas that employs 50 to 100 workers.

The small manufacturer are restricted to make investment below USD 2,00,000, on the other hand large producer are allow to invest as much as they think desirable to maintain the quality & efficient market. The small manufacture produce local brand or shop own brand while large manufacture produce branded apparels which are about 20% of the domestic market. Many large scale textile companies have extended their production line by producing garments.

Take the case of century textile mills in the city of Mumbai which is a largest cotton textile mill in the country. It was producing 100% cotton fabric which was purchased by many leading foreign brand to make apparels or readymade garments, that’s when the mill released that these brand make huge profit from the fabric of production from garment which help them to start their own manufacturing brand. Thus in the same way many large textile units or composite mills started producing garments to diversify their production & it get the market share. This resulted in rapid growth of garment units in both unorganized sector as well as in the organized sector. The large unit in the organized sector manufactures large quantity & undertakes all measurers of quantity standards.

3. Exporters
There are independent exporters or merchant exporters who are engaged in production of garment mainly for the export market. These exporters are larger than the domestic small producers in terms of output & number of workers employed. Government provides the exporter an incentive & exemption of investment limit to small garment manufacture, if they export 50% of their output. For this exports the exporters generally do net outsource or sub contact their production, so that the quality of the apparels are maintained.
1.1.3 Overview of Textile Industry

India is one of the largest producers of textiles and apparel in the world. The easy availability of major raw material has made the country self-reliant. India ranks in top five countries of the world in the field of textile. India has the largest number of spindles in the world (24% of the world's spindle) and the expected market for textile & apparel by 2021 is likely to be 223 billion USD. Textile industry plays an important role in Indian economy. It contributes to direct & indirect employment of lakhs of people. It contributes 8% to 15% to industrial output of the country. It produces employment to 45 billion people which is next to the agricultural sector. India’s textile market share includes 35% textile and 69% apparel. The industry is divided into various market segments like cotton, silk, woolen, man-made fiber etc. The importance of India in this fiber can be seen as below:

<table>
<thead>
<tr>
<th></th>
<th>Second largest producer in the world</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton</td>
<td>Second largest producer in the world</td>
</tr>
<tr>
<td>Silk</td>
<td>Third largest producer in the world</td>
</tr>
<tr>
<td>Wool</td>
<td>Fourth largest producer in the world</td>
</tr>
<tr>
<td>Manmade Fiber</td>
<td>Fifth largest producer in the world</td>
</tr>
<tr>
<td>Jute</td>
<td></td>
</tr>
</tbody>
</table>

Source: Retail Business

Table 1: Popular Merchandise in the Global Market

Thus India has the advantages of being in top three countries in the world in terms of the availability of raw material; this has benefited Indian producers & manufacture to get easy supply & raw material to the country. It has contributed to the rapid expansion of spinning, waiving, processing, garment unit in the country.
**Market size** - The market size of Indian textile industry can be seen as below:

<table>
<thead>
<tr>
<th>Year</th>
<th>USD billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>70</td>
</tr>
<tr>
<td>2010</td>
<td>78</td>
</tr>
<tr>
<td>2011</td>
<td>89</td>
</tr>
<tr>
<td>2016</td>
<td>143</td>
</tr>
<tr>
<td>*2021 Projected</td>
<td>223</td>
</tr>
</tbody>
</table>

*Source: Wikipedia*

**Table 2: Market Size of Textile Industry over the years**

It can be seen from the table that the total size of the market which has 70 billion USD in 2009 increased to 143 billion USD in 2016 & it is likely to reach to the figure of 223 billion USD in 2021. Thus the textile market in expanding rapidly.
1.1.4 India’s Market for Apparel

The apparel market can be divided into domestic market and export market and export. Export from India has grown up gradually for the period of five years from 1 billion USD to 4 billion USD during 1985-1998. This is only 2% of the global apparel market of 210 billion USD. China & Hong Kong together account for 20% share of apparel export in the global market.

Indian apparel exports have grown during the last decade by about 13% after the focus of world production to Asian countries. But the growth of export of India is less than other countries like Thailand and Indonesia which have grown by 17%. China experienced 21% growth in its export. China mostly exports to Hong Kong and Japan both are gruta free countries. But on the other hand India exports are mainly to USA which is heavy gruta country.

The size of the domestic market for apparel in India stands at 16 billion USD in 2000. About 1/3rd of this consist of readymade apparel which is 2/3rd of the world market. The size of the market can be seen as below;

<table>
<thead>
<tr>
<th>Description</th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tailor made</td>
<td>RMG</td>
</tr>
<tr>
<td>Urban</td>
<td>3.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Rural</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>All India</td>
<td>10.5</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Source: Economic Survey, GOI 2011

Table 3: Comparison between two years of market segment data between Production of Merchandise

Thus it can be seen that the market size for tailor made has decreased, while the market size for readymade is rising. This can be seen as below;
<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tailor Made</td>
<td>10.5</td>
<td>10.0</td>
</tr>
<tr>
<td>MFT</td>
<td>2.5</td>
<td>6.0</td>
</tr>
<tr>
<td>Total</td>
<td>13</td>
<td>16.0</td>
</tr>
</tbody>
</table>

Source: Economic Survey, GOI 2011

Table 4: Increase in the Production of Merchandise

It can be seen that the total share of readymade for readymade apparel has gone up from 2.5 billion USD in 1990 to 6 billion USD in 2000 while the tailor made apparel has declined from 10.5 billion to 10 billion USD.

1.1.5 Statistical history of Retail Apparel Industry

The Indian apparel industry has revenue of 19 billion USD in 1997 which include exports of 4 billion USD & 15 billion USD in domestic market. It account for 11% of the total exports. In apparel segment, advanced country like USA, Germany which has labor cost as a disadvantage in the production of apparels, export much more, nearly double than India. China is the leader in apparel production in the world. Its production is three times higher than India & exports are seven times higher than Indian exports. The cross country compassion of apparel sector in terms of size & employment can be seen below;

<table>
<thead>
<tr>
<th>Country</th>
<th>Export</th>
<th>Domestic</th>
<th>Total</th>
<th>% Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>30</td>
<td>32</td>
<td>62</td>
<td>2.6</td>
</tr>
<tr>
<td>Italy</td>
<td>14</td>
<td>13</td>
<td>27</td>
<td>1.7</td>
</tr>
<tr>
<td>USA</td>
<td>09</td>
<td>37</td>
<td>46</td>
<td>0.5</td>
</tr>
<tr>
<td>Germany</td>
<td>08</td>
<td>13</td>
<td>21</td>
<td>0.2</td>
</tr>
<tr>
<td>India</td>
<td>04</td>
<td>15</td>
<td>19</td>
<td>1.1</td>
</tr>
</tbody>
</table>

Source: Global Economy Survey 2013

Table 5: Ranking Patten of various countries globally
It can be seen from the above table that China is the market leader in apparel production as well as in apparel exports. The production of apparel by China is 62 billion USD of which 50% of its production is exported. The share of employment of the country is 2.6. The next impact global leader is USA, which produces 46 billion USD apparels. Its export is worth of 9 billion USD & domestic production is 37 billion USD. The next important country is Italy, which is leader in textile fashion & designing. The total production of apparel is 27 billion USD and of which more than 50% (i.e. 14 billion USD worth) are exported & the balance 13 billion USD is for domestic production. Germany produces 21 billion USD out of which 8 billion USD apparels are exported & 13 billion USD are for local market.

In India the apparel production is 19 billion USD out of which 4 billion USD are for export & 15 billion USD for domestic production. Thus the top five apparel-producing countries in the world are China, Italy, USA, Germany & India, China is the market leader in export as well as in domestic production.

### 1.1.6 Productivity and Performance of Apparel Sector

Productivity in Indian apparel is lower as compared to developed countries, developing countries like China, Thailand. Productivity is measured as number of shirts product per hour. This productivity is very low in India 16% of USA & 35% of China’s exporters. USA apparels sector can be considered as a benchmark for productivity measure. However, apparels are not much produced in USA.

Hence China can be taken as a benchmark as the country is the largest exporters of apparel in the world. China’s labor cost is easily comparable with Indian apparel sector. India is also one amongst the third or fourth leading exporter of apparel in the world.

Retailer uses various resources such as space, finance & manpower to realize the objectives of business. The productivity of these factors contributes to the success of the retailers.
### Net Sales Table

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>Total items sold by retailer, which excludes customer return and customer allowances</td>
</tr>
<tr>
<td>Less</td>
<td>Cost of Goods Sold</td>
</tr>
<tr>
<td></td>
<td><strong>Gross Margin</strong></td>
</tr>
<tr>
<td>Less</td>
<td>Operating Expenses</td>
</tr>
<tr>
<td></td>
<td>Net Sales = Gross Sales - Customer Returns - Customer Allowances</td>
</tr>
<tr>
<td>Less</td>
<td>Interest Expenses</td>
</tr>
<tr>
<td></td>
<td><strong>Total Expenses</strong></td>
</tr>
<tr>
<td></td>
<td>Net Profit Before Tax</td>
</tr>
<tr>
<td></td>
<td>It shows how much profit a retailer makes from the merchandise sales without taking into account other expenses (i.e. Operating expenses)</td>
</tr>
<tr>
<td>Less</td>
<td>Taxes</td>
</tr>
<tr>
<td><strong>Net Profit after Tax</strong></td>
<td>Gross Margin = Net sales - Cost of Goods Sold</td>
</tr>
</tbody>
</table>

**Figure 2: Revenue model for a retailer**

1.1.7 Reasons for Operational Productivity

The operational reasons for low productivity in Indian apparels sector are;

1. Poor organization of functions & task (OFT)
   One of the causes of poor productivity is poor organization of function & task. This problem applies to manufacturers than tailors. There are problem of large scale absenteeism, high rate of rejection & delay in shipment, poor market of the operations & function. These problems are the root cause for low productivity in small scale garment units which are unorganized in all respect.

2. Low investment in technology & automation
   Another reason of low level of productivity is the low investment in technology & automation. This reduces efficiency of quality & performance. For example many garment factories lack proper running equipment, proper washing, and drying equipment’s.
Hard washing is the common method of washing, which also results in problem of quality determination, & shrinkage of exporters resulting into lack of high tech machines which can increases the efficiency & productivity of the company. For example many garment manufacturers do not use spreading machines. There are problems of cutting room automation, lack of air-conditioning etc.

3. Supplier Relations
Small apparel manufacture has low quality due to problem from the supplier end. They buy fabric from small scale power loom unites where quality is the major issue. Then the low quality inputs result in higher defects & rejection rate resulting in lower efficiency & productivity.

4. Small Scale Operation
Another cause of low productivity is the small scale operators of the apparels market unites. Tailoring unites each have 3-4 machines. Domestic manufactures have 20 machine & exporter have 50 machines. This is quite low compared to unit in china & other countries. 500 machine sizes is the minimum size necessary to function efficiently & optimally. Thus because of small size of the units they do not enjoy economic & large scale resulting in higher operation cost of low production.

5. Format Mix
The apparel industries consist of variety of production unit with tailors, small producers. For local market, exporter & large manufacturer. There is lack of standardized practices used in the sector. There is lack of uniform were structure, terms of employment, skills need etc.

6. Little Price Based Competition
There is less degree of competition among the different format mix of apparel sector. As a result each segment survives on its internet strengths like low cost, low quality, government reservation for 551 lack of organized retailing, different target groups for marketing etc. Hence through there is stiff competition within the segment.
7. Less Exposure to Best International Practices
Indian apparel industry had limited exposure to the best international practices including technology. There is not much FDI in the apparel sector on the other hand china & other countries had greater exposure international exposure due to grow FDI in these countries. Further Taiwan & Hong Kong invested heavily in china due to high labor cost in these countries. They are able to pass on the latest technology to china Taiwan helped Chinese apparel industry to become more competition & efficient. Thus the lack of FDI in Indian apparel modify is one of the major draw book for the development of the sector.

8. Non Level Playing Field
The industry has the problem of non-level playing field. The different segment of the industry pays different level of wages. Small-scale domestic producers pay low wages to the worker & hence have cost advantages. On the other hand the organized sector pays wages as per the industry hence they have cost disadvantage.

9. Poor Infrastructure
There is problem of poor infrastructure development. There is lack of efficient supply china & logistic facilities. This has affected timely delivery & shipment in export order. This has affected the overall efficiency & productivity of the apparel industry.

1.1.8. Introduction to Retailing
Retail in fact is detail. It involves all the activities that are involved in the marketing of goods and services. It covers large variety of activities and functions such as;

➢ Store management.
➢ Supply chain management.
➢ Inventory management.
➢ Purchase management.
➢ Category management.
➢ Customer Relationship Management.
Hence the term retail in detail. It covers all the marketing functions. The only difference is that retailer deals with the final consumer. Retailer is the last entity in the distribution channel.

![Distribution Channel Diagram]

Retailer actively involves in the transfer of ownership of goods and services to the final consumer. In this process retailer is closer to customers as well as wholesalers or manufacturer. Retailer provides many benefits to both. The benefits to consumers are:

- Acts as a buying agent.
- Provides place, form, time utility.
- Creates value.
- Promotes products.
- Services to customers.

The benefits to wholesalers or manufacturers are:

- Channel for delivering goods.
- Provides feedback to wholesalers.
- Important role in sales promotion.
- Spread business risks.
- Provides logistics support.

### 1.1.9. Indian Retail Industry

Retailing is one of the largest and the oldest industries in India. India has about 18 million retailers, the highest in the world. The retail sector accounts for 15% of GDP and the growth rate is about 15-20% per annum. The Indian retail market is expanding at the faster rate. The Indian retail industry can be classified into two sectors namely; Organized & Unorganized.

Organized means the business is conducted in large retail formats like hyper market, Supermarket, Malls while the unorganized means the businesses conducted on a small scale like
kirana shop or mom and pop store. The difference between organized and unorganized retail can be seen as below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Organized</th>
<th>Unorganized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>5,000-3,00,000sq.ft</td>
<td>100-500sq.ft</td>
</tr>
<tr>
<td>No. of SKU’s</td>
<td>10,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Service front</td>
<td>Self</td>
<td>Over the counter</td>
</tr>
<tr>
<td>Stock turnover</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Ambience</td>
<td>Modern</td>
<td>Traditional</td>
</tr>
<tr>
<td>Profit Margin</td>
<td>Low</td>
<td>High</td>
</tr>
</tbody>
</table>

Source: Retail Buzz world

Table 6: Comparative analysis between organized and unorganized retailing

Source: India Retail Report and IMACS Analysis

Figure 3: Revenue model of retail industry
The Indian Retail market organized and unorganized can be seen from the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>Organized</th>
<th>Unorganized</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>02</td>
<td>98</td>
</tr>
<tr>
<td>2007</td>
<td>03</td>
<td>97</td>
</tr>
<tr>
<td>2010</td>
<td>05</td>
<td>95</td>
</tr>
<tr>
<td>2012</td>
<td>08</td>
<td>92</td>
</tr>
<tr>
<td>2015</td>
<td>11</td>
<td>89</td>
</tr>
<tr>
<td>*2020 Projected</td>
<td>24</td>
<td>76</td>
</tr>
</tbody>
</table>

*Table 7: Growth Rate between Organized and Unorganized retail sector.*

It can be observed that in the earlier period retail was highly unorganized accounting for 98% of the total but gradually the share of unorganized has declined from 98% in 2002 to 89% in 2015 and by 2020 it is expected to decline to 76% on the other hand the share of organized retail is increasing.

It has gone up from 2% in 2002 to 11% in 2015 and expected to rise to 24% by 2020. As the retail industry is transforming gradually from traditionally unorganized industry to modern organized industry.

**1.1.10. Introduction to Human Resource Management**

In every organization, management of that organization has to go through a lot of pressure of work. The various requirements of the jobs are looked after the management of the organization. Especially when the markets phase changes, the organizations get to grab a number of opportunities and have to face a number of challenges. This pressurizes the management to function better and harder. This also includes making changes in the policies of the organization and also the rules and regulations of the organization.

The major part of competition for organization includes the constant improvement of the production methods, entrants of the advanced technology and for employees who are inclined in
achieving work life balance. The organization have to overcome many obstacles to maintain the quality of workforce, these obstacles include qualitative workforce attraction towards the organization, recruitment of people with intelligence, versatility and enthusiasm in the organization, motivating the current employees and retention of the current work force for maintaining the organizational status in the competitive market. Maintaining the quality of workforce defines the success of the organization.

The role of an HR in an organization is to see to it that the change which is been considered in an organization should be positive for both the organization as well as the employees which in turn should protect the side of an employees in a positive manner.

The change that is been functional in an organization helps the company to boost in their sales figures thereby increasing the productivity of an employees without additional cost added to an organization.

In an organization the role of an change agent is not only to focus on one area or one department infact the role expands to see to it that the change takes place in the overall functions, departments in an organization. As an HR manager it is very important to inform the employees about the importance of changes happening in the projects of an organization and how these changes will help the employees to boost for their betterment in achieving the individual goals.

Following are the reasons as to why an employee’s leaves an organization which have been highlighted by major researchers in their research work;

1. Relationship between Employee & Manager.
2. Not able to utilize the employees core skills.
3. Inability in achieving the organization goals, mission & visions.
4. Regularly reorganizations in functioning.
5. No control over the careers of employees.
6. No proper growth & development for employees.
7. Misalignments of employees & organizations values.
8. No allocations of resources given to employees for performing their jobs.
9. No clarity about the expectations from the employees.
10. No flexibility given to employees.
11. Mismanagement in the work life balance of employees.
12. No proper monetary incentives given to employees.

Human Resource plays a key role for the organization, as employees are treated as an asset more than as a liability by the organization. It acts as one of the most important factor of production for the success of the organization. Today HR manager are dancing differently to the tune of life that results into skill mapping done with a proper HRM initiatives.

Change is inevitable as due to globalization MNC’s have forced Indian companies to accept and corporate change in their daily working conditions. There are various activities that a HR should consider to survive in the market and retain its well-deserved talented employees.

The role of HR department has changed from regular maintenance function to continuous development function to get a competitive advantage. As there is a tremendous competition in this globalized world, certain changes needs to be considered by an organization which will help the organization to sustain in the market of tremendous competition.

The changes in HRM are

1. Enhancing the quality of work life through employment engagement.
2. Change in communication model through participative management culture.
3. Increase in education levels through proper career planning for employees.
4. Technological development with proper IT support.
6. Organizational development.
7. New work ethics.
9. New appraisal and reward system with proper compensation management.
10. New personal policies.
11. People centric organization.
12. Using six sigma practice whereby an analytical tool with leadership should be developed for sustainable development and improvement.

13. HR outsourcing etc.

Along with an organizational change the role of personal manager in the future should pose some skill set that will benefit the organization, these skill sets are,

a. He should look from the overall development of HR.

b. It should act as a change agent by scanning both internal and external environment and developing planning.

c. Must be cost conscious and profit oriented.

d. Should have greater authority and responsibility towards employee’s welfare service.

e. Should also follow the 4 R’s mantra i.e. Recruiting, Retaining, Retraining, Restructuring.

In the coming years the role of personal manager will become more difficult and challenging in the near future as it’s a global HR strategies that’s revolving in the market with rigorous competition. In future if the company wants to generate revenue and success the employees should be treated with the new ways of change management and lot of participative management culture should be implemented.

1.1.11 Criticality

The retail industry of India accounts to fifth largest in the world which is a combination of organized and unorganized sectors, the fastest growing service retail industry in India is counted to be the Indian retail industry, which is noticeable in the last few years, prior to this the industry was not that much organized and was always been considered as unorganized, but due to the continuous change in the market wherein the change in the preferences of customers taste, habits, lifestyle etc. the industry has developed over a given period of time, thereby increasing its popularity in the service sector industry.

The Indian retail industry is the largest among all the industries, accounting for over 10 percent of the country’s GDP and around 8 percent of the employment. The role of Human Resource (HR) professionals plays a vital role in this industry as they are the face of the stores by
delivering a superior customer service, they act as change agents and they pose competencies in order to execute this role.

HR professionals as change agents have the responsibility to ease the effect changes in the organization and protect employees against the side effects of the inevitable changes. As the external environment like the competitive market is emerging at an alarming rate, the HR role in any organization has become very challenging, where in the HR manager plays a strategic role & the success of the organizations completely depends on their strategic roles which is played by the HR manager.

There is a tremendous changes in the HR role now a days like increasing the productivity, commitments of employees towards the work assigned to them, retention of employees in an organization which has now become as one of the most cited critical role which an HR manager plays in an organization, which are driven by various new roles of corporate restricting, employees loyalty towards the work assigned etc.

The purpose of this study is to make the readers know how important the HR department is for any organization right from small organization or big organization. A retail sector is classified into various stores of retail size right from small conventional stores i.e. 3,000 to 10,000 square feet to big supermarkets stores i.e. 30,000 to 50,000 square feet to high end hyper city stores i.e. above 1,00,000 square feet.

For each store employees are the key assets as they deal with customer by understanding them what are their likes, dislikes need, want, requirements and accordingly deal with many customers at one time.

The question arise that should all the employees have to give priority and importance in the retail store or to only few employees. Earlier the employees were considered to be the liabilities for the organization but as trend changed these employees are now been taken as an asset. Motivation, employee engagement, career advancement is now become the priority for a store manager to
provide to its employees for a better productivity and performance of employees which in turn will help the store to achieve its targets and generate more revenue and goodwill.

1.1.12 Utility

Every research that is been conducted gives some or the other benefits to everyone directly or indirectly. The present research conducted will help the readers in the following ways;

1. Retail Sector is the largest sector in service industry, which covers various sectors like apparel, medicines, cosmetics, FMCG products, electronics, etc. There are multinational corporations, operating in this field. At the same time, there are small scale units. The study will reveal the size and structure of retail industry, its growth rate and future potentials.

2. Employees are the key asset for any retail store, with employees the stores flourish without which the store gets closed. This research will focus on the myth, facts on the employee productivity and performance by describing its correlation between the two and its outcome on the retail store.

3. The study will also reveal the importance and impact of training on the employees and its performance and productivity before and after the training modules.

4. Employee productivity and performance in retail store with special reference to Shoppers Stop and Westside will help the retail store to identify various variables towards employees which will result into generating productivity of employees thereby generating more sales for the store.

5. The present research will highlight the performance and productivity of employees, which will have a direct impact on the retail sectors performance, and productivity, which will fill the existing gap in this sector, which was found from extensive literature review.
1.1.13 Conclusion

The research analysis is based on the employee productivity and performance in retail apparel industry with special reference to Shoppers Stop and Westside as both the retail stores are generic stores and have worked in a backward integration, both the companies brand name is popularized though stores and not much to their merchandise. An attempt is made in this research considering the employees productivity and performance dimensions based through this branded stores and their outcome that gives a revenue generation to these stores.

There are various variables that will enable the employees to increase the performance and productivity of employees which are different for different employees and this is what the store manager have to consider in dealing with employees which will enable the employees to perform at their best resulting into generating more output in terms of profit with less input from the store so that both the parties are benefited.

1.2 Problem in Hand

Retailing is one of the most important sectors that create highest employment benefits to the job finders. Due to globalization not only the retail market has grown but it has also helped all the international brands to compete with one another along with the domestics brands. There is a high degree of varieties of merchandise, store design, location, layout, ambience, which has a tremendous impact on the buying pattern of customers, which is a profit generation for this sector.

The retailers are the last point of contact with the customer wherein they are very much important in terms of generating feedback, market research, complaints and grievance handling of the customer. Over the given years the retail industry has completely changed from a traditional aspect of retailing to the modern aspects of retailing, from a store based retailing to a non-store based retailing entering in the section of online retailing.
As the market has been expanded from a sellers’ market to the buyers’ market and due to tremendous players entering in this market, the government has granted various benefits to this industry. One such benefit is 100% inflow of FDI in single brand retailing. There are various giant players in this sector like Pantaloons, Westside, Shoppers Stop, Big Bazaar, and other international brands like Diesel, United Colors of Benetton, Levis etc. which has resulted in opening this industry to leaps and bound. As the industry is fragmented with varied choices to its customers the main asset of the stores are the employees whereby they are considered as one of the most important elements towards running the retail store in a successful manner.

Retail employees are the face of the store and act as a brand ambassador when they deal with the final end users and customers. A lot of research has been conducted on retail sector towards employees in the form of employee engagement, mystery shopping, training and development etc. the problem arises from the research is it was difficult to correlate the same with the productivity and performance of the employees and to the retail industry to where these employees are working along with the store outcome and productivity.

As a result of which a substantial correlation is been conducted with this research on the employee productivity and performance of the employees of two giant retailers of Mumbai city which are Shoppers Stop and Westside, whereby the impact of productivity and performance of the employees are identified of the front end employees as well as store managers and their various training modules of both brands are identified so that the outcome of employees can be seen of the employees.

The problem towards this study is the productivity of employees depends on various factors in store wherein the performance forms the part of productivity of employees. To maintain and to understand the balance between the productivity and performance of employees in retail stores this study is been conducted considering the big giant brands Shoppers Stop and Westside by identifying their training modules that will result into increasing the productivity of employees towards their as well as store goals and objectivities.
1.3 Research Objectives

The main reason of conducting research is to attain its objectives in a well-planned and systematic manner, where in the objectives are considered to be the end result of the research. The research objectives should be clearly defined by the researcher so that the outcome of the research should be achieved in a way it is planned for. The research objectives are interrelated with each other so that the research goals are clearly met. The major objectives of the research study are

1. To study the growth and development of Indian apparel retail v/s other segments.
As retail industry is fragmented and there are various new players that have entered in the market there has been a tremendous competition of not only within the apparel industry domestically but also internationally along with other retail sectors like departmental stores, hypermarket, supermarket, conventional supermarkets etc. Hence the study would help to identify how Indian apparel retailing is different from other segment retailing.

2. To find out the productivity and performance of the people in apparel sector.
The objective of this study is to identify the correlation between the productivity and performance of employees of Shoppers Stop and Westside, which will have a strong outcome on the profits, and revenue of the apparel industry. As productivity of employees will depend on the performance of the employees and the performance will relate to the training given to the employees this study will emphasize on developing various training modules.

3. To compare the productivity and performance of people in apparel sector between different companies.
Shoppers Stop and Westside which are departmental stores and has huge varieties of merchandise within the store, the study would help the reader to analyze how the employees are deployed within the store section and try to give a superior customer service thereby increasing their performance and generating the rewards for them.
4. To evaluate the factors contributing to high/low productivity and performance.
The employee’s productivity and performance in store depends on various variables both internally as well as externally such as store design, variety of merchandise, location, ambience, lighting, furniture, fixtures, sound, lighting, scent etc. The research will help to evaluate the factor which increases the productivity and performance of employees and decreases the productivity and performances of employees.

5. To suggest measures to improve the productivity and performance of employees in the apparel segment.
The study would help the readers to identify various variables that will help the employees to improve the productivity and performance and also which training needs will enhance the performance of employees in the store thereby increasing their productivity within the store.

1.4 Scope of Research Work

Research in whatever field of inquiry has four purposes, i.e. describing, explaining and predicting phenomena and ultimately controlling events.

1. **Describing and explaining**- Research is concerned with acquiring knowledge, establishing facts and developing new methods.

2. **Prediction**- The word prediction in research is termed to be called as hypothesis, which means that all unambiguous statements that may be subject to varying from the original research work or some rejection in the research work. In research hypothesis are drawn to understand the acceptance or rejection of the research which will help the researcher to arrive at a conclusion of the research work conducted in a theories or generalization considering various situations. The predictions or hypothesis helps to arrive at an assumption that given this condition then this is likely to happen on the research.

3. **Control**- The word control results into following from our knowledge which acts on the hypothesis as successful verifications. The term control helps the researcher to apply the real problems and situations in a practical way towards the research, which helps it to shape the
environment of business. The study of external variables if understood properly will help the organization to control the internal activities that suits the interest of an organization.

The term scope relates to the vast aspect of the research, which depends on the interpretation of the topic to the readers who read the research. As there are various views about the employees and the retail sector following are the scope that has been incorporated by the researcher, which are as follows,

1. Productivity and Performance
2. Employees Training and Development
3. Retail Store Management
4. Job Analysis

1. **Productivity and Performance**

It includes how productivity and performance are interrelated and have to be taken into consideration for compensation management by the store manager during the rewards of employees. As a good performance of employees within a store will help the employees to increase the productivity thereby generating more benefits in its compensation.

2. **Employees Training and Development**

In order to provide a good customer satisfaction every organization need to work on its customer relationship management which will help the organization to deliver at their best resulting into a good employee performance, if each and every organization focus on the improvement of employees performance resulting into enhancements of their outcome in an organization for which it should be backed by proper training and development for its superior customer relationship management.

3. **Retail Store Management**

A retail store includes various variables such as merchandise, ambience, layout, design, furniture and fixtures, employees, backend area etc. each variants are unique in their own space. A proper store management is to be done by the store manager who is trained in generating more
productivity from its employees and handling the operations of stores on a daily basis by generating more revenues.

4. **Job Analysis**

An analysis of a job is to interpret what the job demands. It is broadly classified into job enlargement and job enrichment, a job enlargement is increasing the profile of the job done by the employees without hike in the compensation whereas job enrichment is increasing the profile of the job done by the employees along with the hike in the compensation.

Following are the broader scope of the research,

a. **Geographical Scope**

The research work is restricted to only Mumbai city considering only two brands that is Shoppers Stop and Westside. The further scope in this study can lead to an expansion of this research to various other geographical areas to get more expansion base to the research.

b. **Functional Scope**

In the service industry the customer are always been considered first, however the employees are not been considered in delivering a superior services to the customer. Further to this research there can be a correlation between the coordination of employees along with the customer satisfaction resulting into organization effectiveness.

c. **Analytical Scope**

Productivity and performance of employees are considered of the employees in retail apparel industry considering only two brands Shoppers Stop and Westside, further to this analytical study the researcher can consider various analysis towards the store management and its operational functioning along with its employees.
1.5 Organization

1.5.1 Highlights of Retail Industry

Retailing is the oldest nature of business existed since the ancient times in some form or the other. The emergence of retailing can also be traced back to Kirana store or mom and pop stores. These stores were the smallest size of retail catering to the local area or village. These stores size varies between 100 to 200 sq. feet or more in some cases.

The government played an important role in the emergence of retail in India. For example post office is one type of retail found all over the country. Public Distribution System is another type of retail found all over the country. Thus government retail or public sector retail format were the first retail in India in some organized form but on a small scale in terms of retail size.

The word retail is taken from the French word retailer, which means to break the bulk or to cut into pieces. Thus retailing consists of all those activities which aim at selling of the goods to the final consumer. The main features of retailing are

- Direct Interaction with customer.
- Small size of sale transaction.
- Small size of retail units.
- Focus on bulk or large volume.
- Point of purchase, display and promotion.

Competition is intense; every retailer sells the same product to the entire customer, only few may vary as specialty store or private labels. In such a situation the retailer thinks what he should do differently to attract customers and eliminate competitors, in order to this strategy the retailer uses Retail mix as customer comes with some sort of perception and expectation and that what a retailer has to hit on by putting himself in the shoes of customer.

The various factors of retail mix are location – interior and exterior facilities, store frontage that results into stop and buy factor, store layout and visual merchandising is an image builder that should create a feeling about my store in the minds of consumer, merchandising should be
planned with proper inventory control and management, customer service it includes formulating friendly and simple customer policy and provide services to customer which makes your store different from your competitor and services results into experienced shopping in the minds of customer.

The main functions of retailing are
  ➢ Assortment of goods.
  ➢ Breaking bulk.
  ➢ Holding inventory.
  ➢ Providing after sales service.
  ➢ Provide credit facilities.
  ➢ Promotion and advertisement.

1.5.1.1 Top Ten Retailers in the world

The top 10 retailers in the world can be seen as below;

1. Wal-Mart
It is the top retailer in the world. It was established in 1945 in US. It was founded by Sam Walton. It operates in 27 countries with 11,000 stores. Its revenue is 470 billion USD. It operates under 55 different names in different countries. The store format is largely discount store, super market, super center, hyper market, convenient store, drug store, apparel store. It is the world largest private employer with two million employees.

2. Tesco
The second most important retail in the world. It was set up in 1919 by Jack Cohel in UK. It operates in 12 countries with 7300 stores. It offers food, groceries, clothing and general merchandise. Its revenue is 101 billion USD.
3. Costco
It ranks 3rd in the world. It is second largest retailer in US. It was set up in 1976 in US. It operates in 8 countries. The revenue is 100 billion USD. It is a type of warehouse club only for members. It sells products in bulk quantity at low price.

4. Carefour SA
It is 4th rank retailer in the world. It was founded in 1958 in France. It has highest chain of hyper market 1452. The revenue is 98.7 billion USD.

5. Kroger Co
It was set up in 1883 in USA. Thus one of the oldest retailer in the world. It has 2600 stores across different location in the world. It mainly sells food, drug, and jewelry products. The revenue is 96.6 billion USD.

6. LidlStiftung And Co Kg
It was set up in 1930. It is a discount super market store. It has 9800 stores in 20 countries. Its revenue is 87.2 billion USD.

7. Metre Ag
It was established in 1964 in Germany. It operates in 25 countries in different retail format like hypermarket, department store, electronic store. Its revenue is 85.8 billion USD.

8. The Home Depot Inc.
It was set up in 1978 in US. It is a sort of warehouse store specialized in home materials; building materials, garden materials etc. Its revenue is 74.7 billion USD.

9. Aldi
It was established in 1946 in Germany. It operates in 18 countries with 9000 stores. It is a discount super market chain store. Its revenue is 73 billion USD.
10. Target Corporation

It was established in 1902 in US. It is the largest discount store. It has 1700 stores in US and 127 stores in Canada. The revenue is 71.9 billion USD.

Thus the retail sector in the world is highly organized and consists of large giants whose revenue is in billions of course the top retailer in the world is Wal-Mart as it has the highest revenue 470 billion USD with 11,000 stores in 27 countries. No other retailer matches the revenue of Wal-Mart as the 2\textsuperscript{nd} rank retailer has revenue of 100 billion USD. Thus Wal-Mart is much bigger in size and nearly 4 to 5 times larger than the 2\textsuperscript{nd} largest retailer in the world.

\begin{figure}
\centering
\includegraphics[width=0.5\textwidth]{shoppers-stop.png}
\caption{Shoppers Stop}
\end{figure}

\subsection*{1.5.1.2. a Introduction to Shoppers Stop}

Shoppers Stop, one of the renowned retail industry has been promoted by K Raheja Corp Group, which started its operation in the year 1991, opened its first store in Andheri, Mumbai, as of 2013 there are in total 73 stores of Shoppers Stop in our country. The journey of Shoppers Stop started as department stores which were considered as an operating chain under the labeled name Shoppers Stop in India, the statistical history of Shoppers Stop states by the count which is around 74 Stores which is spread across 35 cities in India.

There are various line extensions of Shoppers Stop which is widely available to the customers in the form of clothing to accessories to handbags, shoes, fragrances, health, cosmetics, jewelry, home furnishing and many more to name it. Due to the growth of E-commerce, Shoppers Stop started its E-business in the year 2008.

The e-retail business of Shoppers Stop helps the viewers to access to multiple products available at store based selling which are in tremendous line extensions. , the brand still continues by expanding their outlets to various other cities & regions like Amritsar, Aurangabad and Bhopal.
They launched its applications in the year 2016 February, also they completed their Omni Channel strategy first phase.

1.5.1.2. b. Presence in different states

Shopper stop has presence in 20 states in the country and cities. The distribution of SS in different states/cities can be seen from the following table;

<table>
<thead>
<tr>
<th>City</th>
<th>Amritsar</th>
<th>Bangalore</th>
<th>Chennai</th>
<th>Delhi</th>
<th>Gurgaon</th>
<th>Hyderabad</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of Stores</td>
<td>4</td>
<td>23</td>
<td>6</td>
<td>18</td>
<td>1</td>
<td>13</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City</th>
<th>Jaipur</th>
<th>Kolkata</th>
<th>Lucknow</th>
<th>Mumbai</th>
<th>Noida</th>
<th>Pune</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of Stores</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>45</td>
<td>2</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City</th>
<th>Bhopal</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of Stores</td>
<td>4</td>
<td>12</td>
</tr>
</tbody>
</table>

*Table 8: Presence of Shoppers Stop*

It can be seen from the above table that total space ramp up by SS, which was 1.2 million Sq. Feet. In the year 2007 rose to 2.6 million Square Feet in year 2011. The details in this regard can be seen as below;

<table>
<thead>
<tr>
<th>State Area</th>
<th>Area per square feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shoppers Stop specialty store</td>
<td>24,58,532 + 1,90,160</td>
</tr>
<tr>
<td><strong>Total Area</strong></td>
<td><strong>26,48,692</strong></td>
</tr>
<tr>
<td>Cross word + Hyper city + J. V Companies</td>
<td>98,952 + 10,64,834 + 1,16,153</td>
</tr>
<tr>
<td><strong>Group Total</strong></td>
<td><strong>39,28,631</strong></td>
</tr>
</tbody>
</table>

*Table 9: Breakup by Square feet area of Shoppers Stop*
It can be seen that the total group area of SS is 39.28 lakh square feet or 3.9 million square feet which includes specialty store, cross word, hypercity, joint venture companies.

E.g. All employees in Shoppers Stop right from CEO to security personnel are designated as customer care associate title before their actual designation
In less academic term we might describe it as getting people, preparing them, activating them and keeping them.

Shoppers Stop started providing online services to its clients along with various extensions within itself right from line extensions to category extension .The major stores of shopper stop are;

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Store Name</th>
<th>Category</th>
<th>No of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shopper stop</td>
<td>Merchandise Apparel</td>
<td>72</td>
</tr>
<tr>
<td>2</td>
<td>Home Shop</td>
<td>Home &amp; furnishing</td>
<td>94</td>
</tr>
<tr>
<td>3</td>
<td>Crossword</td>
<td>Books</td>
<td>16</td>
</tr>
<tr>
<td>4</td>
<td>Mother Care</td>
<td>Child Care</td>
<td>41</td>
</tr>
<tr>
<td>5</td>
<td>Hyper City</td>
<td>Grocery</td>
<td>35</td>
</tr>
<tr>
<td>6</td>
<td>Estee Landev</td>
<td>Cosmetic</td>
<td>35</td>
</tr>
</tbody>
</table>

*Table 10: Categorization of Merchandise at Shoppers Stop*

1.5.1.3. a. Introduction to (TRENT) Westside

Another super giant in the retail sector of apparel is the brand (TRENT) Westside, a retail business of TATA Group of companies’. Westside started its operation in the year 1998, wherein
TATA sold 50% share to the cosmetic brand LAKME for Rupees 200 crores and established TRENT. In the same year TATA purchased a London based retail chain company named little woods which had a various flagship stores like Westside, Star bazaar and Landmark. Little wood was renamed to Westside which has a store size ranging from 15,000 -30,000 square feet. Westside also focused on various extensions right from line to category extensions that give benefits to all its customers.

A total of 36 Westside departmental stores had been set measuring the store size of 15,000 to 30,000 square feet of each store which are opened as one city namely Jaipur, Indore, Hyderabad, Ludhiana, Lucknow, Mumbai, Surat, Rajkot, Vadodara, Jammu, Mysore, Nagpur Pune, Ahmadabad, Chennai, Delhi, Gurgaon, Ghaziabad, Noida etc. and many more cities to go on, these stores has a tremendous merchandise for all the demographics segment age groups with the gender specific right from handbags, perfumes, accessories, shoes, household items and many more merchandise.

1.5.1.3. b. History of Westside

This story began circa 1998 when The Tata’s acquired Littlewoods – a London based retail chain. This acquisition was followed by the establishment of Trent Ltd (a Tata enterprise that presently operates Westside). Littlewoods was subsequently renamed Westside.

The design of the Westside store is done in such a way that it caters to large number of its target customer’s needs, wants and demand. The Westside mission indicates that they want to be the most profitable retailers in this industry thereby increasing the customer database & likability amongst the customers. The brand includes a variety of line extension in their stores right from the demographics segmentation of gender (Men’s, Women’s, Kids) of all age groups such as footwear, cosmetics, handbags, perfumes, household accessories, and many more to name it.

The merchandise that they sell across to its customers is all in-house brand which amounts to almost 70% of the total merchandise. The annual sales of Trent in the year 2010 was amounted in their annual report which was around Rs. 542.60 cr., in which Westside accounted for almost
80% of the sales which in deeds states that Trent deals with only Rupees 40 cr. profits against the total profit as shown in their reports.

Westside has always been known for its vast expansion which helps the brand to survive in the market having a brand recognition and recall in the minds of the audience, they extend their stores from north to south and from east to west catering to large section of the audience thus giving a customer experience and customer satisfaction with customer loyalty segment resulting into giving a tough fight to its competitors and increases their market base in the highly competitive business.

Their main attraction to the customers are their excellent store design with sparkling furniture and fixtures, merchandise varieties and catering to all the segments customers at the store thereby helping them to increase their database of customers and connected with them throughout to generate more profits and revenue thereby giving a life time value experience to its customers.

Westside has always been known as a brand that stands apart in the market as the brand sells their own in-house brand to all its customers, and this result into giving an upper edge to the brand apart from all the other brands that are available in this highly competitive market.

From the time of launch of the Westside store at Bangalore in 1998, its chain has ever since been setting high standards for its competition that is the other apparel retailers. Their range of merchandise sold to its customers includes cosmetics, toys and lingerie which amounts to contributing to around 10 % of the sales figure for the brand while the balance 90 % includes home grown brand manufactured by them which helps the brand to generate more profits. Westside also have adopted various other outside brands in their in-house store space to name a few these brands are Krishna Mehta, Mona Pali, Anita Dongre etc.
1.5.1.3. c. Organizational Structure of Tata Groups

Figure 4: Hierarchical Structure of Tata Group

Year of incorporation  1998.
Ownership Public Ltd. Company.
Principal Fascia Westside, Landmark, Star India Bazar.
Products Apparel stores, Specialty Stores, Books, and Music etc.

Source: Companies Website

Figure 5: Departmental Categorization of Tata Group
1.5.1.3. d. Shareholding Pattern of Tata Group

The share holding pattern of Tata Group can be seen as below:

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Description</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tata Group</td>
<td>32.2</td>
</tr>
<tr>
<td>2</td>
<td>Public</td>
<td>31.5</td>
</tr>
<tr>
<td>3</td>
<td>Mutual Group</td>
<td>19.4</td>
</tr>
<tr>
<td>4</td>
<td>FIIs</td>
<td>9.4</td>
</tr>
<tr>
<td>5</td>
<td>Pvt Corporate Bodies</td>
<td>6.2</td>
</tr>
<tr>
<td>6</td>
<td>Banks</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Others</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Table 11: Share holding pattern of Tata Group*

It can be seen that TATA Group has shareholding of 32.2% and public also has shareholding of 31.5% of Tata group has different retail formats such as Westside, Star India Bazar, landmark, Infinite Retail Limited, Chroma etc., the difference between Westside, Star India Bazar and Landmark can be seen as below;
Westside Star India Land Mark

<table>
<thead>
<tr>
<th>Description</th>
<th>Westside</th>
<th>Star India</th>
<th>Land Mark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Description</td>
<td>A department store retail format</td>
<td>Hypermarket retail format offering products at discount prices</td>
<td>Specialty stores in retail format</td>
</tr>
<tr>
<td>Line of Business</td>
<td>Life Style</td>
<td>Value</td>
<td>Life Style</td>
</tr>
<tr>
<td>Product Offering</td>
<td>Apparels Home Accessories Furnishing</td>
<td>Fruits Vegetables, FMCG, Beauty products, jewelry</td>
<td>Books stationary gift greeting card, toys music, etc.</td>
</tr>
<tr>
<td>Area (square feet)</td>
<td>15,000- 30,000</td>
<td>50,000</td>
<td>12,000- 45,000</td>
</tr>
</tbody>
</table>

Source: Companies Website

Table 12: Product offering of different stores

The above table shows difference between the three retail formats viz. department store, Hyper Market, specialty store, there is difference in the product offering Westside deals mostly with apparels, home accessories and home furnishing.

Product Mix of Westside

<table>
<thead>
<tr>
<th>Men’s</th>
<th>Women</th>
<th>Kids</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ascot, ETA, West Sport, Nuon</td>
<td>Bombay Paisley, Gia, Lov, Mix &amp; Match, Nuon, Sassy Soda, Skd, Wardrobe, Zuba ,Footwear</td>
<td>Studio West</td>
</tr>
</tbody>
</table>

Table 13: Product Mix of Westside
Shrinkage Percentage - The shrinkage percentage sales of Westside store can be seen as below;

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>0.78</td>
<td>0.87</td>
<td>0.51</td>
<td>0.5</td>
<td>0.28</td>
<td>0.24</td>
</tr>
</tbody>
</table>

Source: Annual Report  
Table 14: Shrinkage Percentage over the years

It can be seen that there is continues decline in the shrinkage percentage from a source of annual return of 0.78% in 2010 to 0.24% of sales in 2014-15, it shows that improved efficiency of warehouses and distribution system.

Average Bill Size
The average bill size or the average transaction per bill or per customer can be seen as below;

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>1,116</td>
<td>1,210</td>
<td>1,361</td>
<td>1,421</td>
<td>1,543</td>
<td>1,701</td>
</tr>
</tbody>
</table>

Source Annual Report 2015  
Table 15: Average Transaction per customer

It can be seen that there is a continues increase in the average transaction from rupees 1,116 in 2008-09 to rupees 1,701 in 2014-15.
1.6 Hypothesis

1.6.1 Introduction to Hypothesis

A hypothesis is an educated prediction that can be tested. You will discover the purpose of a hypothesis then learn how one is developed and written. A proposed explanation for a phenomenon for any research work the researcher uses hypothesis. If a researcher wants its hypothesis to be scientific then a scientific method is used to test its validity, which is based on the previous observations which cannot be scientifically explained with the scientific theories which are available in the research.

A scientific hypothesis is not the same as a scientific theory. A working hypothesis is a provisionally accepted hypothesis proposed for further research. A hypothesis is a specific, testable prediction. It describes in concrete terms what you expect will happen in a certain circumstance. Hypothesis emerges out of this prior thinking on the subject.

1.6.1.1 The purpose of Hypothesis

A hypothesis is used in an experiment to define the relationship between two variables. The purpose of a hypothesis is to find the answer to a question. A formalized hypothesis will force us to think about what results we should look for in an experiment. The outcome of the research is to prove the hypothesis which is been framed, for which the following points are taken into consideration

- Hypothesis helps in providing research a direction.
- Helps in clarifying the facts which are correct or incorrect to the research.
- Identifies an accurate type of research design for the study.
- Bring out the outcome in the form of conclusion towards the findings of the research.
- Tries to reduce the research to a limited area.
- Helps in integrating & analyzing two variables in the form of testing the co-relation between them.
The first variable is called the independent variable. This is the part of the experiment that can be changed and tested. The independent variable happens first and can be considered the cause of any changes in the outcome. The outcome is called the dependent variable.

1.6.1.2 Characteristics of a hypothesis

- a) Hypothesis should be related to the problem at hand.
- b) Clear & precise.
- c) Amenable with time.
- d) Testable.
- e) Relevant to a problem.
- f) Fruitful for new discoveries.
- g) Consistency and Harmony.
- h) Time bound.

Without a hypothesis your research will be literally aimless. A hypothesis defines what it is you intend to prove or disprove as a result of your study, this is equally true whether you are studying a pure science or a social science.

It is perfectly possible to pursue research on the basis of simply accumulating information, which will then become the raw data out of which others will construct hypothesis which make some sort of sense out of it, but it is rare a person indeed who does not begin to direct his explorations without at least the beginnings of an idea of what he expects to find.
One important aspect of using hypothesis is it helps to avoid the sin of rationalization that is the formulation of an idea and then seeking of evidence to prove it, rather than to disprove or test it. One area of modern life where rationalization is all too common is in crime investigation.

The beginning and end of the research process forms the hypothesis, it is one of the most important aspects in the research and as a result of which it is always given priorities by the researcher. There are various ways in which a hypothesis is framed however its always gives a prediction for the final outcome of the research In hypothesis a serious of observation is performed by a researcher which helps the researcher to form a theory which is based on the hypothesis formed. Before conducting any research a researcher first frames the hypothesis which will help it to prove the research as right or wrong.

Following are the 10 statements which a researcher takes into consideration before framing the research process in its hypothesis.

a. Literature review.
b. Writing a research proposal.
c. Funding issue.
d. Collecting and collating the data.
e. Designing the method and study of the research.
f. Analyze the data to interpret findings.
g. Report on the study and disseminate the findings.
h. Implications of your research for operational way.
i. Turning of ideas into a research question.

The hypothesis formed by the researcher in its research helps it to give a scientific outcome thereby bringing out reliable information of the research which includes deduction principles.

As hypothesis plays one of the most crucial roles in the research, it also gives a problem to prove the research which is completely based on the probability and significance of Type- I & Type – II errors in the research. The error in Type – I occurs when the value of p is extremely large and
the null hypothesis is rejected falsely wherein the alternate hypothesis is accepted, however in Type –II error in research occurs when the researcher falsely accepts the hypothesis which is null and rejects the research hypothesis whereby the value of p is extremely small. However, null hypothesis is only concerned with statistics and claims. In this hypothesis there is no variation or difference between variables.

The purpose of a hypothesis in a research is to make a study between the two variables about how those variables will be related to the assumptions made in the research so that the research study can be conducted smoothly. The reason for the hypothesis in the research which a researcher considers is to prove a question for testing it so that the scope of future research can be increased. For every research experiment the researcher considers two hypothesis i.e. a Null Hypothesis & an Alternative Hypothesis.

A null hypothesis in the research tells about a no relationships between two variables that are studied in the research; however an alternative hypothesis indicates that there is definitely a relationship between two variables in the research.

1.6.1.3 Types of hypothesis
Following are the various types of hypothesis used during the research work;

1. Universal Hypothesis.
2. Existential Hypothesis.
4. Complex Hypothesis.
5. Working Hypothesis.
7. Alternate Hypothesis.
8. Research Hypothesis.
10. Logical Hypothesis.
11. Statistical Hypothesis.
Let us see each of this hypothesis in detail;

1. **Universal Hypothesis**
   It is the one, which denotes that the stated relationship holds true for all specified variables for all times at all places. E.g. If workers are rewarded for their better performance, then they will perform even better. If a student studies well, he will get better marks.

2. **Existential Hypothesis**
   It is the one in which the stated relationship is said to exist for at least one particular case or area. E.g. there are few workers who don’t perform well despite the fact that he will be rewarded suitably for better performance. There are few students who won’t study despite knowing that they will fail.

3. **Simple Hypothesis**
   It is the one in which there exists relationship between two variables. One variable is known an independent variable and the other as dependent variable E.g. Smoking causes Cancer. Poverty leads to crimes.

4. **Complex Hypothesis**
   It is the one in which relationship among many variables exists. It is the type of hypothesis where there is one independent variable and there are two or more dependent variables. E.g. Smoking & Drinking leads to cancer and heart attacks. poverty, unemployment, illiteracy leads to crimes, terrorism and naxalism.

5. **Working Hypothesis**
   It is the one which is applied to a field. During formulation it is only an assumption, but when it is put to test it becomes a working hypothesis. E.g. Obesity leads to heart attacks. Girls score better marks in examinations.
6. **Null Hypothesis**
Usually refers to a general statement or default position that there is no relationship between two measured phenomena, or no difference among groups. The null hypothesis is what we are attempting to overturn by our hypothesis test. Null hypothesis is contrary to the positive statement of the working hypothesis. The null hypothesis is denoted by H0. E.g. there is no relationship between smoking & lung cancer. There is no difference between marks of girls & boys.

7. **Alternate Hypothesis**
The alternative is the working hypothesis which reflects that there will be an observed effect for our experiment. This always predicts that there is a relationship between the variables being studied. It is the list of assumptions that are made before one of them being selected to work on alternate hypothesis is denoted by H1. E.g. there is relationship between smoking & lung cancer. Girls perform better than boys.

8. **Research Hypothesis**
This hypothesis is derived from some type of theory or some observation and examination. In other words, the hypothesis set upon the basis of theory or prior observation or on logical grounds. E.g. cutting trees causes environmental degradation. Air pollution causes lung disease in children.

9. **Empirical Hypothesis**
It is also known as working hypothesis. Such a hypothesis is only an assumption during formulation but when work is carried out on such a hypothesis, it becomes empirical.

10. **Logical Hypothesis**
It is not just a blind assumption. A logical hypothesis is one which can be verified logically.

11. **Statistical Hypothesis**
Such statements can be verified statistically. A statistical hypothesis maybe logical or illogical. The hypothesis decided for the study is into primary and subsidiary hypothesis.
a. **Primary Hypothesis**

1. There is relationship between job satisfaction and organizational commitment among employees in organized retail outlets in Mumbai.

b. **Subsidiary Hypothesis**

1. There exists relationship between age and job satisfaction among employees in selected organized retail outlets in Mumbai.
2. There exists relationship between sex and job satisfaction among employees in selected organized retail outlets in Mumbai.
3. There exists relationship between education and job satisfaction among employees in selected organized retail outlets in Mumbai.
4. There exists relationship between marital status and job satisfaction among employees in selected organized retail outlets in Mumbai.
5. There exists relationship between number of dependents and job satisfaction among employees in selected organized retail outlets in Mumbai.
6. There exists relationship between retail industry experience and job satisfaction among employees in selected organized retail outlets in Mumbai.
7. There exists relationship between other industry experience and job satisfaction among employees in selected organized retail outlets in Mumbai.
8. There exists relationship between total work experience and job satisfaction among employees in selected organized retail outlets in Mumbai.
9. There exists relationship between presently working organizational experience and job satisfaction among employees in selected organized retail outlets in Mumbai.
10. There exists relationship between present salary and job satisfaction among employees in selected organized retail outlets in Mumbai.
11. There exists relationship between number of dependents and organizational commitment among employees in selected organized retail outlets in Mumbai.
12. There exists relationship between retail industry experience and organizational commitment among employees in selected organized retail outlets in Mumbai.
13. There exists relationship between job satisfaction and effective commitment, continuous commitment and normative commitment among employees in selected organized retail outlets in Mumbai.

1.6.1.4 Steps in Testing of Hypothesis

1. Deciding the statement of hypothesis.
2. Specifying the level of significance.
3. Identifying the test statistics.
4. Final Decision.

Let us see all the above points in detail.

1. **Deciding the statement of hypothesis**

This is the first step the researcher considers, as in this step there are two hypothesis which are framed by the researcher which are Null hypothesis and Alternate hypothesis. Null hypothesis is denoted as H0 and alternative hypothesis is symbolized as H1. Null hypothesis implies that there is no significant relationship between two variables. The Alternative hypothesis is opposite of null hypothesis and implies that there is a significant difference between the variables. Generally Null hypothesis is tested and when it gets rejected, the alternative hypothesis is accepted.

2. **Specifying the level of significance**

This step helps the researcher to get into confidence of accepting Null hypothesis or rejecting the same. Here the researcher takes maximum risk in a rejecting a Null hypothesis when it is true. The significance varies from 5% to 1% depending in which industry the hypothesis is been tested.
3. **Identifying the test statistics**

After the researcher applies hypothesis the next step is to test the statistics on the research work. There are various test of significance which can be applied for testing of hypothesis namely t-test, z-test, f-test.

The selection of suitable tests depends on the nature of information available in research work which can be positive outcome or negative outcome of the research.

4. **Final Decision**

The last step of testing of hypothesis that the researcher follows is to test the value of the data arrived, if the value of the data is less than the critical value, the Null hypothesis is accepted and if the calculated value is greater than the critical value, then the Null hypothesis is rejected.

1.6.1.5 **Error in testing of hypothesis**

As hypothesis is nothing but an assumption made by the researcher to test the degree of validity to prove its research work, the researcher in order to prove its hypothesis faces error in order to do so. The errors faced by the researcher are of two types “Type I” error and “Type II” error. These types of errors are explained as below;

- **Type I error**
  This error will occur when the researcher rejects the null hypothesis which is true.

- **Type II error**
  This error will occur when the researcher accepts the null hypothesis which is false.

In other words, Type I error means, rejection of hypothesis which should have been accepted and Type II error means, acceptance of hypothesis which should have been rejected. Type I error is
called as alpha error and it is shown by alpha (also called, the level of significance of the test) and Type II error is called, beta and it is shown as $\beta$.

![Table: Decision making in case of Null Hypothesis]

**Figure 7: Decision making in case of Null Hypothesis**

### 1.6.1.6 Test of significance

The researcher should be a very key observer when the hypothesis is going through a test of significance. It is very important for a researcher to check whether the data presented supports to the conclusion made in the research report or not.

There is a support to the research work leads to a positive outcome but if it’s not then the outcome of the research work is negative. In other words it determines the decision to check whether the results are statistically valid or not.

The data collected by the researcher for testing its hypothesis should be in the form of continuous, discrete, binary or categorical.

- In continuous or interval form of data collection it indicates that the units, that are measurable with a value lies anywhere between lowest to highest value.
- In discrete or ordinal form of data collection it indicates that the data are in the rank order.
- In binary form of data collection it indicates that the data collected are in the form of Yes/No which is simple and easy to identify and interpret by the researcher.
In categorical form of data collection it indicates that the data is different but the rank does not exist in this type of data.

There are two classes of significance tests. These are:

1. **Parametric Test**
   A parametric test results into considering data from class interval and ratio analysis whereby the observation of the researcher is drawn from the normal distribution, where in this test act as a robust as many time it requires less data to make strong conclusion. If a researcher is using this test then it has to fulfill below mentioned three conditions,
   a. Data must be normally distributed where in all the data point must follow a bell shaped curve without any skewness above or below the mean.
   b. Data should have equal variance and same standard deviation.
   c. The data flow needs to be continuous.

   There are various parametric test used under this method which are pearson product correlation coefficient, student, t-Test, Z test, ANOVA.

2. **Non Parametric Test**
   If the data doesn’t meet the above three condition then the researcher has to analyze its data with a non-parametric test for its research which is based on less number of assumption. A non-parametric test requires a large quantity of data resulting into coming down with a same conclusion, for which a categorical data have to be converted into a continuous data.

   There are various non-parametrical test that can be used with multiple variables which are Chi-Squared test, Spearman Rank Coefficient, Mann-Whitney U test, Kruskal-Wallis Test, Friedman test.
1.6.1.7 Hypothesis of the Present Research

Hypothesis 1.

Null hypothesis No. 1 - There is a positive correlation between employee’s position and productivity and performance.

Alternative hypothesis No. 1 - There is no positive correlation between position of employees and productivity or performance.

The above hypothesis builds up the correlation between variables like productivity and performance of employees within a retail store. As employees are the assets of the store and act as a brand builder for the store by serving superior and better customer services if they are not been positioned properly in the store as per their skill set there can be a possibility of not performing in a better way thereby resulting into a direct impact on the stores profitability.

In order to prove this hypothesis a primary data is constructed with the help of questionnaire which is gathered from the store based employees from Shoppers Stop and Westside.

Hypothesis 2.

Null hypothesis No. 2 - There is direct relation between the size of retailer, working conditions & productivity of employees.

Alternative Hypothesis No. 2 - There is no direct relation between the size of retailer, working conditions & productivity of employees

This hypothesis will have a correlation with multiple variables like retail store , working condition , productivity of employees as retail industry is a giant industry with various types of retail stores present in this industry , the outcome of this hypothesis is to identify that does the size of the retail store affect the productivity of employees or not and if there are proper training given to employees will their productivity before training and after training changes or remains the same.
1.6.1.8 Conclusion

The term hypothesis is a must in a research work which a researcher has to consider as it’s the basic assumption to test the validity of the research work. Hypothesis have to be tested but using various steps and process as a part of guidelines to get the right outcome.

A systematic analysis of data will help the hypothesis to reach to correct conclusion thereby proving the motto of the research which can be further tested and worked upon to its next level.