EMPLOYEE ENGAGEMENT & TALENT MANAGEMENT PRACTICES IN INDIA’S RETAIL SECTOR: AN EMPIRICAL STUDY

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ABSTRACT

News of Indian retailers putting off expansion plans, pruning their headcount, revising strategy, or delaying plans of a tie-up with a foreign partner has become almost a daily item. Just a year ago this sunrise sector was bustling with activity – everything indicated an oncoming boom. With so many players, competition was intense and predictions of consolidation or a fall out, if at all, were five to eight years away. But due to the global economic crisis we may already be there. Even the large players with strong financial muscle are facing the heat – Reliance Retail is reducing headcount and Aditya Birla Retail has pruned its growth plans. One of the largest chains, Subhiksha, has stopped operations at the beginning of January 2009.

This situation of retail sector is not only because of the global recession but the talent and knowledge gap is a big problem. India’s retail leaders have to realign their talent strategies to face the imminent shakeout. This call for the urgent placement of experienced & enough qualified entry-level retail professions to satisfy domestic workforce needs across every line of retail business and function: sourcing, warehousing, supply chain, front line customer care executives. Innovative strategic human resource schemes aimed to improving retention need to be firmly in place Tailored compensation packages and retention bonuses are needed to boost motivation, productivity and talent retention. To remain competitive—or even just survive—retail businesses must manage their talent pipeline more efficiently and effectively than ever. Having the right talent can help retailers delight customers, differentiate from the competition, and achieve profitability and growth goals—all hallmarks of long-term success. Yet long-term benefits are highly dependent on managing talent costs and employee productivity effectively in the short term. This study empirically uses a questionnaire to understand the capacity of various players in retail sector to keep its employees engaged. Engagement is directly related to performance and retention. Mainly 4 retail chains i.e Birla Group’s More, Spencers Retail, Pantaloon Retail, Reliance Retail: Reliance Super & Reliance Fresh was studied. The results indicate their commitment to retention. In a challenging market, the right on boarding, retention and succession planning policies will ensure that the India’s retail sector could experience the expected growth.

Key Words: Retail, Talent management, employee engagement
INTRODUCTION

“High performers are like frogs in a wheelbarrow-They can jump out at any time”

There is now a consensus in the global business community, that acquiring and retaining talent is the biggest challenge facing organizations. There is also an acknowledgment of a global talent shortage across nations and across sectors, and that the shortage is set to increase. Skills shortage has been found to be the number one challenge in China and South East Asia, number two challenge in Japan and number four challenge in India. Talent management is also one of the most challenging factors facing companies in Europe, according to a 2007 HR Transformation Survey by Mancer Consulting.

A recent (2008) survey by Deloitte Consulting found that having high quality employees emerged top among a series of factors contributing most to growth of companies. The findings of the survey reflect a shift in corporate thinking about people, as the quality of employees now ranks higher in the factors that contribute most to the growth of the company than such celebrated factors as sound business strategy, proprietary technology and investment capital. The above findings have been corroborated by others from equally internationally renowned institutions. The Harvard Business School for example, identified the ability to spot and develop talent, as the most sought-after attribute among successful CEO's. The Chartered Institute of Personnel and Development (CIPD) UK found “recruiting and retaining best talent” to be in the top five drivers of organizations managing diversity.

Intelligent employers always realize the importance of retaining the best talent. Retaining talent has never been so important in the Indian scenario; however, things have changed in recent years. In prominent Indian metros at least, there is no dearth of opportunities for the best in the business, or even for the second or the third best. Retention of key employees and treating attrition troubles has never been so important to companies. In an intensely competitive environment, where HR managers are poaching from each other, organizations can either hold on to their employees tight or lose them to competition. For gone are the days, when employees would stick to an employer for years for want of a better choice. Now, opportunities abound. It is a fact that, retention of key employees is critical to the long-term health and success of any organization. The performance of employees is often linked directly to quality work, customer satisfaction, increased product sales and even to the image of a company. Whereas the same is often indirectly linked to, satisfied colleagues and reporting staff, effective succession planning and deeply embedded organizational knowledge and learning. Employee retention matters, as, organizational issues such as training time and investment, costly candidate search etc., are involved. Hence, failing to retain a key employee is a costly proposition for any organization. Various estimates suggest that losing a middle manager in most organizations, translates to a loss of up to five times his salary.

Managing talent is deeply anchored within the Human Resources domain, and its growing importance for organizations in the face of the global talent shortage and the resultant talent war, places Human Resources in a unique position of influence within the organization. Focus has for long been placed on the entry and exit points of the talent management pipeline and a focus on these is tantamount to administering a remedy when it is too late. HR needs to adopt an integrated approach to the management of talent, which entails looking not just at
the sourcing and compensation aspect, but at the total talent management value chain. HR managers should adopt the talent mindset and be the talent advocates in the organization. There are 5 anchor pillars which governs Talent Management, namely recruiting/selecting, performance management, development, succession/progression and compensation management. This implies creating the talent-friendly environments at the workplace and understanding what talent holders really want and value. HR needs to build an employer brand and ensure that the best people not only remain in the company, but are aggressively developed and trained, role modeled and promoted. Human resources department along with senior management support must take steps to make sure of this. Effective human resource management must be practiced at both strategic and day-to-day levels. HR management practices must reflect company policy as to how it will manage and relate to its employees. The HR strategy should evolve from a transactional support role to partnering in the organizations business strategy. HR must take steps to be aware of employee problems and try to solve them. From an HR perspective, the typical behaviors demonstrated by the engaged employee are: a belief in the organization and its purpose, desire to work to make things better, an understanding of business context and the ‘bigger picture’, being respectful and helpful to colleagues, a willingness to ‘go the extra mile’, and keeping up to date with developments in their field.

Strategic Talent Management has four key integrated dimensions:

- **Defining** with more precision the workforce skills needed to execute business strategy, aligning workforce planning with business needs both now and in the future.
- **Discovering** more diverse sources for those skills through better sourcing and recruiting methods.
- **Developing** workforce talent through relevant and compelling educational experiences and more carefully plotting long-term career development paths for employees.
- **Deploying** talent more strategically to create the best possible match between employees’ talents and aspirations and the strategic goals and operational demands of the business.

![Diagram](image)

Talent has become central to business survival; yet that talent is in short supply, and this shortage is set to get worse. Organizations and even nations will do everything to get that talent from anywhere and everywhere, triggering what amounts to a war for talent. It is however no easy task for an HR manager to bridge the ever-increasing demand and supply gap of retail professionals. Unlike the HR manager is not only required to fulfill this responsibility but also find the right kind of people who can keep pace with the unique work patterns in the retail industry. Adding to this is the issue of maintaining consistency in performance and keeping the motivation level high, despite the challenging work. The intangible, complex “psychology” factor has to be handled with a velvet glove as it eventually leads to a polarization of total human resources.

*The war for talent was predicted as way back as 1998 by McKinsey in its survey report “The War for Talent”. But the scale and intensity of this “war” was probably not foreseen then.*

2. SLOWDOWN IN INDIA'S RETAIL SECTOR

India's retail industry is suffering the worst slowdown since its boom in the mid-1990s, as several large and medium-sized groups have been forced to cut their expansion plans and shut some of their stores. It was hailed as the "great Indian retail revolution," but a slowing economy and over-ambitious expansion have left many retailers struggling with what analysts now say were hyped expectations. When India's economy was booming, large domestic and foreign companies raced to tap its growing middle class and introduce Western-style chain-store shopping and now the economic slowdown is prompting India's retailers to sharpen their focus, while foreign firms to take a pause.

As economic growth picked up to more than 9 percent in recent years, a swelling middle class attracted big Indian corporate such as Reliance Group, Aditya Birla group and Bharti Enterprises to the retail sector. But the lure has dimmed as economic growth has slowed to below 7 percent and spending has tightened. Retailers are closing stores, curbing spending and repositioning themselves to ride out the tough times.

Subhiksha Trading Services, which operated about 1,600 discount stores across India, ran out of cash last October. The unlisted company's operations are nearly at a standstill and it is undergoing a "debt restructuring exercise." India's largest listed retailer, Pantaloons Retail, faced with falling sales in various products and high inventory costs, is reworking its strategy. It is focusing on cost and supply chain efficiencies, high-margin private labels, better credit terms and prices from vendors, reassessing their Talent management strategy and re-negotiating lease rental agreements. Cash-strapped Vishal Retail is closing stores and has no plans to open more next year. British retailer Marks and is facing falling sales at home and is repositioning itself in India.

There is a general slowdown in the economy due to the global crisis and that is affecting the growth of retail sector in the country. The assumed GDP growth of 8% to 10% during 2007-12 is now impossible, at least for the current year 2008-09 and the coming year. Organized retail cannot therefore grow at 45% to 50% as envisaged. The revenue growth forecast for the retail sector is slashed to 15-20 percent, down from 30-35 percent, for this fiscal year.

3. THE STATE OF THE RETAIL TALENT MARKET: TALENT AND KNOWLEDGE GAP IN RETAIL SECTOR
The retail industry is facing challenging times. In the midst of a recession and a decline in consumer wealth and spending, retailers are focused on the short term: getting customers into stores and online to drive sales while looking to cut costs. At the same time, companies face a stiff, longer-term challenge that does not show up on a daily report: a dwindling supply of qualified talent with the knowledge and experience to perform the critical and increasingly complex tasks necessary to attain and sustain high performance. The current talent crunch across retail sector is a result of an imbalance between the supply side and the demand for skills in key areas. Urgent placement of experienced & enough qualified entry-level retail professions to satisfy domestic workforce needs across every line of retail business and function: sourcing, warehousing, supply chain, front line customer care executives is required.

For many retailers, the talent situation is a crisis. Difficulties in filling hourly, frontline jobs are not new. The more vexing, and potentially more damaging, is the talent gap in the salaried retail workforce—the more highly educated and skilled workers in areas such as strategy, information technology and analytics. Many recruiters complain today that people entering the workforce are sometimes inadequately prepared—not only in areas of mathematics, engineering and technology, but also in critical areas such as communications, writing and critical thinking. Another factor contributing to the widening talent gap is the stark and sobering fact that too few of the candidates who are qualified want to work in the retail industry. If one looks at lists of the industries considered most attractive by today's university students, retail is nowhere to be found. Instead, it shows up on the least attractive end of the list, along with mining, forest products and health service payers. This supply problem comes at a time when demand is increasing in the retail industry for salaried workers with specialized skills in areas such as analytics. The gap between talent supply and demand in the retail industry is big and getting bigger. A recent survey by CareerBuilder.com underscores the problem: almost half of the retail employers surveyed (47 percent) say that they have open positions for which they cannot find qualified candidates. Almost one-fourth of the retail workers surveyed plan to leave their jobs within a year.

On average, companies across all industries spend just over $1,200 per employee on learning and development opportunities. The retail industry, however, sits at the very bottom of the pack, spending only $594 per learner. The talent shortfall in retail is more than clouds on the horizon; it's a storm that is breaking over the entire industry.

4. METHODOLOGY

4.1 Research Design: The descriptive survey design was used for this study. This design is supported by literature.

4.2 Population: The population comprised 4 retail chains i.e Birla Group’s More, Spencers Retail, Pantaloon Retail, Reliance Retail: Reliance Super & Reliance Fresh at Ambala and Greater Noida.

4.3 Sample and Sampling Techniques: The sample for the study was the managers of the stores & 50 employees from these stores (10 from each store). Convenient sampling technique was used.

4.4 Instrumentation: The instrument for the study were 2 questionnaires: one for managers to understand the capacity of various players in retail sector to keep its employees engaged & second for employees containing questions related to talent management practices of their organization.
4.5 Procedure for Data Collection: The online as well as personal contacts were surveyed. It had two components:

THE FIRST SECTION gathered information from the store managers on the capacity of various players in retail sector to keep its employees engaged (EMPLOYEE ENGAGEMENT SURVEY).

THE SECOND SECTION assessed the critical issues employees have regarding the talent management strategy of the organization. (TALENT MANAGEMENT SURVEY).

The data was classified and analyzed with the help of simple statistical tools.

5. ANALYSIS & INTERPRETATION

5.1 EMPLOYEE ENGAGEMENT SURVEY-As per managers’ feedback.

In the first section I gathered information from the store managers by using Employee Engagement Questionaire to understand the capacity of the four companies to keep its employees engaged containing 20 questions (Annexure1). The response indicates an organization’s commitment to retention. The managers were asked to tick each correct statement about their company. Their employee engagement level is analyzed on the basis of their score of the 20 questions. The analysis of the score is as follows:

Under 5/20: Organization is regularly in the job market and finding it increasingly difficult to attract staff. This indicates organization had not made retention a priority. They are under the mistaken impression that just a job and pay are enough to retain talent.

Between 5 and 10: The retention practices of company are still focused on financial rewards and group activities. Retention is about individual needs, performance and relationship building. It is not “one size fits all”.

Between 10 and 15: Organization is aware of the employee satisfaction / customer satisfaction connection. Retention is a priority in such organizations and they work to create an environment that facilitates sharing, learning and growth. They are headed in the right direction.

Between 15 and 20: They are an employer of choice and everybody wants to work with them.

To explore & understand employee engagement activity of the 4 retail chains, the responses of the managers are analyzed as follows:

1. Birla Group’s More: The score for More is 4 (Under5/20). They are regularly in the job market and find it difficult to attract staff. Retention is not a priority for them. For them just a job and pay are enough to retain talent. Obviously, that isn’t the case. If it were, they wouldn’t be regularly replacing staff.

2. Spencers Retail: The score for Spencers Retail is 13 (Between 10 and 15). They are aware of the employee satisfaction / customer satisfaction connection. Retention is a priority for them and they work to create an environment that facilitates sharing, learning and growth.

3. Pantaloon Retail: The score for Pantaloon Retail is 16 (Between 15 and 20): They are an employer of choice and everybody wants to work with them. Retention is a priority for them and they work to create a growth oriented environment. They do job forecasting and prepare professional development plan for their employees.
4. Reliance Retail: Reliance Super & Reliance Fresh: The score for Reliance Retail is 15 (Between 10 and 15). They are aware of the employee satisfaction / customer satisfaction connection. Retention is of utmost importance for them and provide ample of growth and development opportunities to their employees.

5.2 TALENT MANAGEMENT SURVEY-As per employees’ feedback.

In the second section I gathered information from the 50 employees (10 each) of the four retail chains (five stores) by using a Questionnaire to assess the critical issues employees have regarding the talent management strategy of their organization containing 16 questions (Annexure 2). The response indicates an organization’s talent management practices. The questions related to five key talent management processes of Recruitment/Selection, Performance Management, Development, and Succession/Progression and Compensation Management.

To explore & understand talent management process of the 4 retail chains, the responses of the employees are analyzed as follows:

Ques1. Since how long is you working in this organization?
   i) Below 3 months
   ii) Between 3-6 months
   iii) Above 6 months.

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**ANALYSIS:** The response shows that situation regarding retention is best in Pantaloon retail and worse in More.

Q.2 In terms of your company’s recruitment process was you given realistic job preview before the selection process?

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**ANALYSIS:** The response shows that in Pantaloon retail and Reliance retail realistic job previews are given to the candidates.

**ARGUMENT:** In the companies where a realistic job preview is provided to candidates, those who subsequently join the organization have higher engagement and retention level.

Q.3 Does your organization use assessment centers or tests in the selection process?

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**ANALYSIS:** The response shows that all use assessment centers or tests in the selection process to some level but in Pantaloon retail and Reliance retail situation is better.

**ARGUMENT:** In the companies where an objective method for selection is used, right man on the right job is better ensured and hence retention is higher.

Q.4 Did you know the clear expectations about the nature and requirements of the role you had to play?

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**ANALYSIS:** The response shows that employees in Pantaloon retail and Reliance retail are aware of the expectations about the nature and requirements of the role they have to play.

**ARGUMENT:** In the companies where employees know the clear expectations about the nature and requirements of the role they had to play they work better and satisfaction and results are higher.

Q.5 Do you find the appraisal system of your organization effective and fair?

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**ANALYSIS:** The response shows that employees in Birla’s More and Spencers Retail do not trust their appraisal system. They do not find it effective and fair.

**ARGUMENT:** There is a clear positive correlation between those who have participated in an effective appraisal and those that exhibit higher levels of engagement and retention. In the companies where employees trust their appraisal system, satisfaction and retention are higher.

Q.6 Do you find the performance appraisal in your organization use a clear set of role-specific characteristic measurements?

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**ANALYSIS:** The response shows that employees in Birla’s More and Spencers Retail do not find the performance appraisal in their organization using a clear set of role-specific characteristic measurements. They do not find objectivity in the appraisal process.

**ARGUMENT:** Use of clear set of role-specific characteristic measurements in Performance appraisal system helps to identify where an individual needs to develop, the behaviors they need to adopt (or not) and how they compare against their peers. In the companies where Use of clear set of role-specific characteristic measurements in Performance appraisal system is there, performance and development is better.
Q.7 Are you aware of the benchmarks used in the Performance Appraisal process?

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**ANALYSIS:** The response shows that employees in Birla’s More and Spencers Retail are not aware of the benchmarks used to judge their performance as excellent, v.good, good, fair or bad.

**ARGUMENT:** If the employees are aware of the benchmarks, they know the target to be achieved and they work better to achieve them. In the companies if employees are aware of the benchmarks, performance and retention is better.

Q.8 Does your performance appraisal system is in line with competency-based assessments.

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**ANALYSIS:** The response shows that in Pantaloons retail and Reliance retail performance appraisal system is in line with competency-based assessments.

**ARGUMENT:** The output of a performance appraisal system being in line with competency-based assessments is a personal report that draws attention to areas of strength and development as they relate to the role, enabling a more purposeful dialogue between employee and manager. It lays foundations for a subsequent engagement programme and hence better retention.

Q.9 Does appraisal process signals to your training needs?

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**ANALYSIS:** The response shows that in Pantaloons retail and Reliance retail appraisal process signals to employees’ training needs.

**ARGUMENT:** If the appraisal process do not signals the training needs of the employees, it caters only to the evaluation purpose and the growth perspective. Growth and development are related to talent retention in any organization.

Q.10 Does your development is being taken seriously by the organization?

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ANALYSIS: The response shows that in Birla’s More and Spencers Retail development is not a major concern for the organization.

ARGUMENT: If the organizations do not take the development aspects of the employees seriously and just simply gives a list of courses to attend after browsing through a training catalogue, things won’t go well in terms of talent management. Employees will surely move elsewhere for better development prospects.

Q.11 Does your organization uses 360 degree reviews for your overall development?

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ANALYSIS: The response shows that in Pantaloon retail and Reliance retail 360 degree reviews are used for overall development.

ARGUMENT: 360 degree reviews provide useful feedback for employees from a developmental perspective, and also shed light on the current state of employees’ behaviors as perceived by those at the receiving end of them. 360 reviews also indicate how employees relate to organizational values. The companies that use 360 degree reviews for development are able to retain their employees in a better way.

Q.12 Does your organization provide help to develop a personal development plan?

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ANALYSIS: The response shows that Pantaloon retail and Reliance retail help their employees to develop a personal development plan.

ARGUMENT: Employees who have a personal development plan exhibit higher levels of engagement than those that don’t. Higher level of engagement means employee will be more responsible, deliver better results to achieve the next level and hence better retention.

Q.13 Does your performance appraisal meeting indicate “where the employee sees them in the future or how they might get there”?

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ANALYSIS: The response shows that performance appraisal meeting in Birla’s More do not indicate about their employees future and the way of getting there.

ARGUMENT: If the employees could see themselves where they could be in future or how they might get there, they take control of their own career in the organization. Once an
employee has decided on a path, he’ll put his best efforts to achieve it with the organization and it’ll lead to talent management.

Q.14 Do you perceive lack of opportunities or career paths in your organization?

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**ANALYSIS:** The response shows that majority of employees in Pantaloons retail and Reliance retail do not perceive lack of opportunities or career paths for them.

**ARGUMENT:** Very often a perceived lack of opportunities or career paths leads to dissatisfaction with the employer. Dissatisfaction in turn leads to attrition and thus companies may loose some good people. Talent Management people have to think on creating opportunities and chalking out the career paths for their employees.

Q.15 What are your views regarding career planning activity of your organization?

**ANALYSIS:** The response shows that the employees in Birla’s More do not find their organization giving emphasis on career planning activity but with the other three retail stores majority of the employees find career planning activity very effective and helpful in their growth and development.

**ARGUMENT:** Organizations that provides career planning support using their organizational frameworks enables employees to chart their own paths to the next role including their learning and development needs at each step. Employees develop their own thinking and become informed and purposeful in their field of activity.

Q.16. Are you satisfied with the compensation components provided by the organization?

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**ANALYSIS:** The response shows that in Birla’s More only 40% of employees are satisfied with the compensation and benefits given by the company and in other three retail stores situation is much better.

**ARGUMENT:** Compensation is a very important aspect of motivation and retention for any employee and if the organizations do not take care of the benefits, fringe benefits and a competitive compensation package to satisfy their employees, things would become difficult to handle to manage the talent force of the organization. Employees will surely move elsewhere for better compensation and benefits.

6. **FINDINGS**

The major findings of the study are given below:
1. Birla Group’s More is regularly in the job market and find it difficult to attract staff. Retention is not a priority for them. For them just a job and pay are enough to retain talent.

2. Spencer’s Retail is aware of the employee satisfaction / customer satisfaction connection. Retention is a priority for them and they work to create an environment that facilitates sharing, learning and growth.

3. Pantaloon Retail is an employer of choice and everybody wants to work with them. Retention is a priority for them and they work to create a growth oriented environment. They do job forecasting and prepare professional development plan for their employees.

4. Reliance Retail: Reliance Super & Reliance Fresh is aware of the employee satisfaction / customer satisfaction connection. Retention is of utmost importance for them and provide ample of growth and development opportunities to their employees.

5. Analysis of the data collected for the Talent management from employees have data related to five key talent management processes of Recruitment/Selection, Performance Management, Development, and Succession/Progression and Compensation Management.

6. The response regarding how for how long employees are working with the retail stores shows that situation regarding retention is best in Pantaloon retail and worse in More.

7. Analysis of data regarding the Recruitment & Selection process shows that Pantaloon retail and Reliance retail give realistic job previews to the candidates. All stores use assessment centers or tests in the selection process to some level but in Pantaloon retail and Reliance retail situation is better. Employees in Pantaloon retail and Reliance retail are aware of the expectations about the nature and requirements of the role they have to play.

8. Analysis of data regarding the Performance Management process shows that employees in Birla’s More and Spencers Retail do not trust their appraisal system. They do not find it effective and fair. Employees in Birla’s More and Spencers Retail do not find the performance appraisal in their organization using a clear set of role-specific characteristic measurements. They do not find objectivity in the appraisal process. Employees in Birla’s More and Spencers Retail are not aware of the benchmarks used to judge their performance as excellent, very good, good, fair or bad. In Pantaloon retail and Reliance retail performance appraisal system is in line with competency-based assessments.

9. Analysis of data regarding the Development Process shows that in Pantaloon retail and Reliance retail appraisal process signals to employees’ training needs. In Birla’s More and Spencers Retail development is not a major concern for the organization. In Pantaloon retail and Reliance retail 360 degree reviews are used for overall development. Pantaloon retail and Reliance retail help their employees to develop a personal development plan.
10. Analysis of data regarding the Succession/Progression Process shows that performance appraisal meetings in Birla’s More do not indicate about their employees future and the way of getting there. Majority of employees in Pantaloon retail and Reliance retail do not perceive lack of opportunities or career paths for them. Employees in Birla’s More do not find their organization giving emphasis on career planning activity but with the other three retail stores majority of the employees find career planning activity very effective and helpful in their growth and development.

11. Analysis of data regarding the Compensation management Process shows that in Birla’s More only 40% of employees are satisfied with the compensation and benefits given by the company and in other three retail stores situation is much better.

7. DISCUSSION

Employee Engagement and Talent management are two interrelated aspects of any organization. Employee engagement has an impact on the efficacy of the five key talent management processes of Recruitment/Selection, Performance Management, Development, Succession/Progression and Compensation Management. Engagement is directly related to performance and retention. The challenge of talent management has two facets to it. First is how to find new people and second is how to retain the present workforce. Each of the challenges has to be tackled in the most efficient way possible so that the organization can achieve its objectives.

In the companies where a realistic job preview is provided to candidates, those who subsequently join the organization have higher engagement and retention level. Companies where an objective method for selection is used, right man on the right job is better ensured and hence retention is higher. Companies where employees know the clear expectations about the nature and requirements of the role they had to play, employee work better and satisfaction and results are higher.

There is a clear positive correlation between those who have participated in an effective appraisal and those that exhibit higher levels of engagement and retention. In the companies where employees trust their appraisal system, satisfaction and retention are higher. Use of clear set of role-specific characteristic measurements in Performance appraisal system helps to identify where an individual needs to develop, the behaviors they need to adopt (or not) and how they compare against their peers. In the companies where use of clear set of role-specific characteristic measurements in Performance appraisal system is there, performance and development is better. If the employees are aware of the benchmarks, they know the target to be achieved and they work better to achieve them and hence both performance and retention is better. The output of a performance appraisal system being in line with competency-based assessments is a personal report that draws attention to areas of strength and development as they relate to the role, enabling a more purposeful dialogue between employee and manager. It lays foundations for a subsequent engagement programme and hence better retention.

If the appraisal process do not signals the training needs of the employees, it caters only to the evaluation purpose and the growth perspective. Growth and development are related to talent retention in any organization. If the organizations do not take the development aspects of the employees seriously and just simply gives a list of courses to attend after browsing through a training catalogue, things won’t go well in terms of talent management. Employees will surely move elsewhere for better development prospects. 360 degree reviews provide useful feedback for employees from a developmental perspective, and also shed light on the
current state of employees’ behaviors as perceived by those at the receiving end of them. 360 reviews also indicate how employees relate to organizational values. The companies that use 360 degree reviews for development are able to retain their employees in a better way. Employees who have a personal development plan exhibit higher levels of engagement than those that don’t. Higher level of engagement means employee will be more responsible, deliver better results to achieve the next level and hence better retention. If the employees could see themselves where they could be in future or how they might get there, they take control of their own career in the organization. Once an employee has decided on a path, he’ll put his best efforts to achieve it with the organization and it’ll lead to talent management. Very often a perceived lack of opportunities or career paths leads to dissatisfaction with the employer. Dissatisfaction in turn leads to attrition and thus companies may lose some good people. Talent Management people have to think on creating opportunities and chalk out the career paths for their employees.

Organizations that provides career planning support using their organizational frameworks enables employees to chart their own paths to the next role including their learning and development needs at each step. Employees develop their own thinking and become informed and purposeful in their field of activity. Compensation is a very important aspect of motivation and retention for any employee and if the organizations do not take care of the benefits, fringe benefits and a competitive compensation package to satisfy their employees, things would become difficult to handle to manage the talent force of the organization. Employees will surely move elsewhere for better compensation and benefits.

8. CONCLUSION

Retailing success today requires a highly engaged, skilled and productive workforce: the right people, with the right skills, doing the right things to contribute to the company's business goals. By developing better talent management capabilities—including new talent sourcing strategies that can fill talent gaps and provide a continuous source of innovation and experience—retailers have a greater opportunity to drive high performance by becoming talent-powered organizations.

To create a talent-powered organization—one capable of driving high performance through a distinctive talent capability—retailers must be prepared to do more than just fill in gaps by adding people. They have to be able to multiply their talent, and to leverage external talent when and where appropriate, to generate superior levels of productivity, leadership and innovation. This ability is more crucial, not less so, during an economic downturn. High-performance businesses—those that outperform competitors over extended economic cycles—continue to make focused investments in their people and in their talent management capabilities even during downturns. This puts them in a position to pull away from competitors when the economy emerges from a recession. To handle the recession effect retailers must raise talent management to a strategic level and talent issues need to be handled strategically. They are too important to be assigned only to specialist functions and regulated by specialist processes, however well-designed in themselves. They need a holistic approach, in which every part of an organization, every individual within it, is connected and animated by the need to foster talent. Part of raising talent management to a strategic level means taking focused, methodical and measured actions

The right kind of leadership is critical. Effective decision makers at the highest level of a retailer's management structure need to be able to understand and articulate their
organization’s critical talent needs, both today and for the future. With that understanding, leaders help develop the right kind of talent mindset throughout the organization—one capable of multiplying the productivity of the workforce and its impact on business results, and of driving extraordinary results. An implicit goal of all activities in the talent management life cycle is improving retention of top talent. Companies must create the right incentives, development opportunities and career management capabilities needed to keep the best performers engaged with their work, satisfied and committed to their future with the organization.

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