

THE NEED OF THE HOUR A BEHAVIORAL THERMOMETER IN RETAIL

Although a burgeoning industry, the retail sector in India is grappling with serious manpower issues. Retailers need to adopt efficient assessment tools to tackle this challenge

BY ANILA RATTAN & JUKKA SAPPINEN

That the retail-scape in India has undergone dramatic changes is no secret. Everywhere we look, we see new malls and new brands emerging; large complexes offering a mix of shopping, food and entertainment have mushroomed everywhere. What started out as a metropolitan phenomenon has now pervaded smaller towns and cities as well. With all these changes have emerged new challenges for the retail sector, one of which is the issue of manpower.

One of the constant complaints of the Indian industry is the lack of employable manpower. This is a situation which boggles the mind: we have a large pool of unemployed youth (the largest perhaps in the world) and we are literally starving for good manpower. If the situation is bad in most sectors, it is deplorable in the Indian retail sector. The challenge seems to be in fit. Any animal lover knows that if you want an animal that dances, you won't keep a

rabbit. However, this common sense approach is abandoned when we look at the hiring scenario in retail organizations.

Manpower to staff the modern organized retail is sourced literally off the street and then placed to handle responsibilities of a retail environment. It is not surprising then that most of them fail miserably as anyone who has either been a customer or a manager has experienced their failure firsthand. High attrition, lack of a customer attitude, et al, are all symptoms of a deeper malaise. Perhaps the key element in solving the current HR challenges in retail industry is a professionally managed recruitment process. The most crucial gap between current and ideal recruitment practices is the failure to pay attention to behavior-based recruitment criteria for a successful career in retail. Today, the only methodology used to check fit is an interview where probing is done at a very superficial level. The average time spent on a frontline interview is not more than five minutes, which is just not enough to probe for inherent skills.

It is obvious then that there is a need for an efficient, quick and easy mechanism to understand behavioral assessment at a cost reasonable and relative to the average salary in the retail industry. For the Indian market, which has till date concentrated on the upper end with psychological assessment tests such as the Myers-Briggs Type Indicator (MBTI), the Sixteen Personality Factor Questionnaire (16 PF), Fundamental Interpersonal Relations Orientation (FIRO B), Thomas Personal Profile Analysis (PPA), understanding behavioral assessments is a major challenge. For any assessment to be widely used for frontline recruitment in the retail sector requires it to be efficient and afford-

QUICK VIEW

- The Indian retail sector is faced with the challenge of skilled manpower shortage especially at the shop floor and mid management level.
- The main issue is of getting the right fit between the required skills and behavior and the available manpower.
- Efficient assessment tools should be applied to test for the behavioral adaptability of manpower.



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able. For example, an assessment worth Rs.1,800 is obviously worthless if the average salary range is from Rs.6,000 to Rs.12,000 per month. Some of our clients report that they have almost an entire turnover of front end staff in just three to four months. In such a situation, would any business head consider assessments?

Price of assessments is not the only issue here; information overload and relevance to retail requirements is also a challenge. If I am a retailer and need to hire large numbers of people especially at front end levels, would I appreciate simplicity and customization? The answer is a resounding “YES” as for every 100 people interviewed, only 20 are hired. The cost of interviewing these 100 people can be phenomenal in rupees. If an efficient assessment could be used to select the 20 who have the highest inherent behavioral traits, this would also increase the probability of success in retail. This may also impact attrition.

It is also to be noted that in the current scenario, there is an acute shortage of middle level management professionals in the Indian Retail Industry. This is not surprising as currently, mid management level in the retail sector has either risen from the shop floor or has been poached from other industries. However, given that organized retail is so young, mid level managers lack the seasoning that comes from mentoring over a period of time. Retail schools are also unable to bridge this gap since their students do not want to enter the industry at shop floor levels and the industry does not hire much at higher levels. One reason for this trend could be that the pyramid narrows significantly at mid management level.

Retail industry is a fast-paced environment that requires a team of people who can stay focused on excellent customer service despite long hours of work and ensure that the backroom operations are run efficiently. And lack of skilled middle level management has resulted in the retention problem and de-motivation of front end staff. This is a major concern for HR. There-

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fore, the responsibility rests with the mid level managers to create enthusiasm and a familiar environment in a store so that the front end does not leave and join another brand for a mere 10% hike. It is important to hire people after taking into account their behavioral preferences. This is especially important because then a person experiences less stress (parasympathetic response) and therefore the chances of attrition reduce. If you hire an outgoing and social person into a retail job requiring active contacting, inspiring and selling, you are more likely to succeed than if you hire a person who is shy and has no natural tendency to influence other people.

All the attempts to minimize the problem including increasing salaries, planning growth paths, training, et al, both on shop and middle management level are costly and efficient only to some extent especially if you have got the wrong base material. However, there must be more that can be done here.

To address this issue, efficient and affordable assessment tools have been developed especially taking into consideration the demands of the Indian retail sector. In retail industry, the number of daily recruits is in millions and it must be made possible to conduct the behavioral analysis quickly to achieve the results immediately and be able to interpret them in seconds. And all this must be done at a reasonable cost and relative to the average salary in the retail industry. **em**

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