

Analysis of the relationship between young retail frontline employees and their demographic profile: Skill development perspective

¹ Umesh Ramchandra Raut, ² Dr. Prafulla Arjun Pawar

¹ Research Scholar, Department of Management Sciences (PUMBA), Savitribai Phule Pune University, Pune, Maharashtra, India.

² Professor, Department of Management Sciences (PUMBA), Savitribai Phule Pune University, Pune, Maharashtra, India.

Abstract

The frontline employees are the key employees in every retail format, with their importance and the involvement in the daily retailing activity; they are the backbone of retailing. Various studies in social science, especially related to business management usually consider the demographics as a tool for segmentation. This paper aims to examine, what linkage exist between frontline retail employee skills and their demographic profile. Consideration of demographics with the retail frontline employees' skill development is the central characteristics of this study. The present study is based on to understand the influence of demographic profile of young retail frontline employees on different retail skill sets. With the help of appropriate sample of the respondent, we analyze the role of their demographics with their retail skill sets. This study presents statistical significant finding, which can be very helpful for knowing the importance of demographic profile of frontline retail employees. The consequences of this study will help the retail skill development department for developing a better training program and strategies for the development of retail frontline employee's skill sets. This study will also help retailers to understand their frontline employees with their demographics and expected retail skills to work as a frontline retail employee.

Keywords: Retail, skill development, demographics, frontline employee

1. Introduction

Not only for India but with the perspective of modern civilization, the retail industry is one of the major contributors of GDP. Due to the development of retail industry such as the use of new technology, enhancement of distribution process, and change in retail industry perspective from organization-centric to customer-centric, most the management gurus and economist consider that retail industry is the backbone of countries economic development (Gawankar, *et al.*, 2016) ^[1]. In some respects retailing is a simple business. Retail sales are influenced mainly by national income. The business can be expanded by adding more selling space (horizontally or vertically), by widening the range of merchandise handled, or by extending the price ranges. In other respects retailing is an exceedingly complex operation. Retail business is very competitive, at times bitterly so in some urban locations. Part of this is because the volume of nationally advertised items is done on a price basis. The idea of individualized or personalized selling is neglected or inapplicable to certain types of operation, notably in the case of some variety chains (Laufer, 1951) ^[5]. Retailing institutions provide a part of the environment in which marketing decisions must be made. A better understanding of their evolution in different marketing systems helps to offer a framework for generalizing about comparative marketing systems. One factor, however, has been consciously ignored in this simplified explanation of retailing innovations. Retailing and the broader field of marketing are not only affected by the total economic environment but, in turn, they may themselves change this environment. In societies with high discretionary income and heavy goods, there are pressures for improvement in retailing efficiency. The degree to which these economic pressures result in the evolution and adoption of new methods of retailing operation

depends on the total environment. Cultural acceptance of or resistance to change, demographic and geographic influences, the political and legal framework, the strength of pressure groups such as business competitors and unions all of these may have an effect on retailing innovations. When these forces are negative, the actions of aggressive individuals or firms may do much to achieve and hasten change (Cundiff, 1965) ^[1].

The expected efficiency and its continuous improvement in retail affect the employment sector of retailing too. Now a day's retailing demands the skilled worker in all areas such as frontline work, floor manager, and different managerial positions also. It's a responsibility of the retailer to create awareness regarding various skills required for the various formats of retail. Retailers should organize the training programs with the consideration of skill-gaps present in the current situation in the retail industry. Its point out in that in various studies that training is the best way to reduce or bridge the skill gaps in the retail industry. It is the retailer's responsibility to arrange for proper training programs for the employees for the purpose of skill development, as he is the key person who knows what retail industry need today. It's also found that higher the job satisfaction more is the outcome of skill development process that is why retailers must analyze the employees' satisfaction while trying to bridge the skill gaps in the retail industry (Pawar and Raut, 2012) ^[10].

2. Theory

There is, at present, a revival of interest in significant proportions in the possibility of improving the efficiency of operations in the retail stores of the country. This interest has automatically spread to considerations of methods of training for those who work in the retail field. This movement is significant. If it gets anywhere, it may exercise major effects

not only on the retail trade but also on all business. Training for retailing is an interesting subject. There is a long history for those who care to look into it on how retail store owners and their employees have fitted themselves for the performance of their work. It goes back to the beginnings of retailing, and there is scarcely a nation so ancient or a people so primitive as not to have some form of retail trade (Nystrom, 1936)^[8]. Each advance in these fields has caused a development of new retail merchandising methods based on two fundamental premises: lower cost of distribution and better customer service (Mertes, 1949)^[6].

The liberalization agenda itself seems to have been vigorously promoted by the governments and agents of these giant retailers. Retail and wholesale trade are the single largest component of the services sector regarding contribution to GDP. Its massive share of 14 per cent (India) is double the figure of the next most significant broad economic activity in the sector. The retail industry comprises organized and unorganized sectors. Organized retailing refers to trading activities are undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate-backed hyper- markets and retail chains, and also the privately owned large retail businesses (Goyal and Aggarwal 2009)^[17]. Unorganized retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local 'Kirana' shops, owner operated general stores, paan/ beedi shops, convenience stores, hand cart, and pavement vendors, etc. (Guruswamy, *et al.*, 2005; Goswami and Mishra, 2009)^[3, 15].

Over the past decade, the sector has increasingly scaled up, with national and local capital leading the way. Many well-known large business groups like Reliance, Tata, Birla, and many lesser known ones like Pantaloon Retail, Spencer's Retail, etc., have successfully attempted entry into the sector in supermarket and hypermarket formats. Retailing in India is emerging as one of the largest industries, with a total market size of \$320 billion and growing at a compound annual growth rate of 5%. India has been ranked as the most attractive market for global retailers to enter now according to K T Kearney's Global Retail Development Index for 2007 which lists 30 emerging countries on more than 25 macroeconomic and retail-specific variables (Kearney, 2007)^[4, 7]. In India food items and groceries account for 70% of the retail pie. Only 0.8% of this food and grocery market was in organized retail in 2005 but given the significant opportunity, investments in this segment and consolidation of the supply chain, the penetration of organized retail is increasing rapidly. The growth rate of organized food and grocery retail which was 35.6% in 2005 increased to 42.5 % in 2006 (India Retail Report, 2007)^[14]. Organized retailing in India is defined by modern retail formats, namely malls and supermarkets (Kuruville and Ganguli, 2008)^[16]. The preceding decade has observed a propagation of standardized forms in most major cities of the nation. The retail study suggests that the Indian retail area is poised to increase from \$350 billion to \$427 billion by 2010 and \$635 billion by 2015. Advanced organized retailing, which constitutes a small segment of Indian retail activity currently, is assumed to grow at 40% of the market in the coming years (Moriarty, *et al.*, 2007)^[7]. Liberalization policies pursued by the Indian government have encouraged investment in retail real estate. The new malls are being constructed in most of the

cities across the country. This development in organized retail will boost the retail sector more positively and beneficially.

The expected growth of Indian retail industry is very constructive with consideration of overall nation's development and leads to open massive employment opportunity for every class of young skilled Indian population (Srivastava, 2008)^[18]. Hiring the right people for right for right position is always a crucial task in human resource management, and it has equal importance in retail management too (BMI India Retail Report, 2015)^[19]. All business sectors were looking for a right skilled person for their work. Frontline employees are the face of a retail company as they are the only ones who directly interact with the customers on behalf of the organization. Thus, their role is of particular significance in this sector. People who hold front-line positions come from varied backgrounds and often belong to economically weaker sections of the society. Many times they are expected to know and sell products that they have not used themselves. Besides, communicating in English is a challenge because most of them have limited education and have had little or no access to spoken English (Rajagopalan, 2015)^[12]. According to a survey carried out by Associated Chambers of Commerce and Industry of India (ASSOCHAM), the retail sector is among the top ten segments in which the hazard of stress and mental fatigue had intensified during the recent times (Tribune News Service 2007)^[14]. The working pattern of the retail industry requires employees to put in long hours (8-12 hrs.) of work which cause fatigue and lower motivation among employees. According to KPMG report (2006)^[13], globally, retailing is a high staff turnover industry, with even the larger retailers facing attrition rates of between 40 and 60 percent a year. As organized retailing is at a nascent stage in India, attrition is not yet an issue at least at the middle and senior management level.

2.1 Primary skill sets for frontline retail employee

Following are the primary skill sets which required working in the frontline retail workforce, it is also necessary for all different retail format.

- Communication skill: it includes Language ability, Oral communication, written communication, body language, basic grooming and etiquette. This is necessary to enable the staff to understand the basics of effective communication. They also need to understand the barriers to communication and how to overcome them. Body language is important and for interpretation of a various sales situation. Also need to be understood by the frontline retail employees to enable them to communicate effectively with the customers (Pradhan, 2011)^[9].
- Technical skill: it consists of basic technology, computer knowledge, Product knowledge.
- Management skill: It includes sales negotiation skill, the good retail frontline employee learns to move from a focus on day-to-day activities to focus on implementing strategies as a leader who's responsible for moving the organization into the future.

3. Methodology

A structured questionnaire was developed to collect data. The questionnaire was designed for the frontline retail employee, and it was divided into two sections. The first part of the survey instrument consisted statement which measures their opinion

for different retail skill sets on a seven-point Likert-type scale with a response format from “strongly disagree” (1) to “strongly agree” (7). The statements have been validated through the statistical test. In the second section of the questionnaire, questions were included to know the demographic profile of the frontline retail employee. The content validity of the questionnaire was assessed through examination by experts in the area. Initial changes were made to clarify or delete some statements according to recommendations or comments of the experts. The study sample consists of 182 frontline retail employees. Data collections were implemented with convenience samples of the respondent. A structured questionnaire was distributed to 230 respondents, out of these 210 questionnaires returned, 182 qualified questionnaires were used for the data analysis after eliminating those surveys completed incorrectly or missing too many questions, for example, missing more than half of the items in a scale, the response rate was almost 79 percent.

3.1 Research Question and Hypotheses

Research Questions

What will be the essential skills and knowledge requirements of the frontline retail employee in the current and next decade? Is there any relationship between the retail skills of the frontline retail employee with their demographics?

Hypotheses

- **H1:** There is a positive relationship between Gender of frontline retail employees and their retail skill sets.
- **H2:** There is a positive relationship between Locality of frontline retail employees and their retail skill sets.
- **H3:** There is a positive relationship between Education of frontline retail employees and their retail skill sets.
- **H4:** There is a positive relationship between age of frontline retail employees and their retail skill sets.

4. Data analysis and Findings

Table 1: Select Characteristics of Survey Sample

Characteristics	Value	Frequency	Percent
Gender	Male	110	60.4
	Female	70	39.6
Age Group	Above 16 years and up to 21 years	39	21.4
	Above 21 years and up to 25 years	63	34.6
	Above 25 years and up to 30 years	80	44
Education	Below Graduation	104	57.1
	Graduate	56	30.8
	Post-graduation and above	22	12.1
Locality	Urban	84	46.2
	Semi-Urban	62	34.1
	Rural	36	19.8

Table 2: Items to measure latent variables

Unobserved Variable	Observed Variable	Cronbach Alpha
Communication Skills	1. I have good communication skill to sustain in my present job. 2. My oral and writing communication is good enough for my current job. 3. My body language is always right while dealing with the customer.	.773
Technical Skills	1. I know the technical things of my daily work. 2. I am quickly using the software which is required in my daily working life. 3. I know very well the technical things about the product where I am responsible for the sale.	.846
Basic Management Skills	1. I naturally manage my workload at the workplace. 2. I am efficiently managing my time at my place of work. 3. I am quickly negotiating the various things related to the product where I am my responsible. 4. My negotiation skill is well enough to negotiate with my customer in present working life.	.834

Table 3: Independent Sample Test (Between Gender and Different skill sets)

		Mean	SD	SE	t-Value	P-Value	DF	Sig. (2-tailed)
Communication Skills	Male	4.6030	1.71668	.16368	-5.802	<0.05	180	.003
	Female	5.3565	1.60137	.18872				
Technical Skills	Male	4.5424	1.70975	.16302	.167	<0.05	180	.868
	Female	4.5000	1.63491	.19268				
Basic Management Skills	Male	5.5697	1.19321	.11377	6.741	<0.05	180	.000
	Female	4.2083	1.52130	.17929				

Table 4: One-way ANOVA (Between Age Group and Skill Sets)

		Sum of Squares	DF	Mean Square	F	Sig.
Communication Skills	Between Groups	42.157	2	21.079	7.889	.001
	Within Groups	478.284	179	2.672		
	Total	520.442	181			
Technical Skills	Between Groups	5.458	2	2.729	.971	.381
	Within Groups	503.033	179	2.810		
	Total	508.491	181			
Basic Management Skills	Between Groups	12.628	2	6.314	4.660	.011
	Within Groups	242.530	179	1.355		
	Total	255.158	181			

Table 5: one-way ANOVA (Between Education and Skill Sets)

		Sum of Squares	DF	Mean Square	F	Sig.
Communication Skills	Between Groups	23.068	2	11.534	4.459	.013
	Within Groups	463.023	179	2.587		
	Total	486.091	181			
Technical Skills	Between Groups	44.109	2	22.055	8.501	.000
	Within Groups	464.382	179	2.594		
	Total	508.491	181			
Basic Management Skills	Between Groups	10.626	2	5.313	3.889	.022
	Within Groups	244.532	179	1.366		
	Total	255.158	181			

Table 6: One-way ANOVA (Between Locality and Skill Sets)

		Sum of Squares	df	Mean Square	F	Sig.
Communication Skills	Between Groups	26.024	2	13.012	5.063	.007
	Within Groups	460.067	179	2.570		
	Total	486.091	181			
Technical Skills	Between Groups	41.931	2	20.966	8.044	.000
	Within Groups	466.560	179	2.606		
	Total	508.491	181			
Basic Management Skills	Between Groups	19.674	2	9.837	7.477	.001
	Within Groups	235.484	179	1.316		
	Total	255.158	181			

Before testing the hypotheses of the present research, we verify the reliability of items, which we used for the present study, and Cronbach Alpha confirm the reliability of items (Cronbach, 1951) ^[20], such as communication skill (.773), technical skill (.846) and for basic management skill (.834). All values of Cronbach Alpha for different skill set groups is greater than .7 it statistically reliability all measures of different skills sets.

We test the relationship between gender of retail employee and different retail skill, with the help of independent sample t-test. The result of test statistics confirms that the female retail employee has good communication skill as compared to the frontline retail male employee. In the view of technical skill, there is no effect of gender. If we consider the basic management skill, it found that the male has the high level of basic management skill as compared to the female retail frontline employee.

For the analysis of multiple comparisons between all locality categories researcher run Post Hoc Tests, as an assumption of homogeneity of variance is tenable, we select Bonferroni and Hochberg GT2 procedures. The advantage of Bonferroni is it

control Type –I error rate very well, and Hochberg GT2 is the very useful test for our data because this study used very different sample size amongst different income groups. If we observed Post Hoc Tests, the Bonferroni test, and Hochberg GT2 reveals that, for communication skill the all three groups differ and the level of communication skill is high in the urban locality employee than semi-urban and rural locality employee. Same skill level exists for technical and basic management skills. The result of one-way ANOVA of education and different skill sets prove that the education is the matter for retail skills as it showed that the level of communication skill increases as the education level of retail employee increase. It revealed that if the education of frontline retail employee enhances the quality of all the retail skill such as communication skill, technical skill, and basic management skill level increase.

While testing the relationship between young age group retail frontline employee categories and with different retail skills, it was found that the age doesn't matter for technical skill set but its matter for communication and basic management skill sets. The result of multiple comparison tests reveals that the level

of technical skill in all young age group is equal, and there is no statistically significant difference if we consider present study young age groups. But this test proves that if we consider the communication and basic management skill it shows the statistically significant difference, as the age of young retail employee increases the level of communication and management skill increases.

5. Discussion and Conclusion

Logic is not enough to confirm the set of skills for completion of work or project or getting the job, or setting own business. India is the most voluble place around the globe as his population consist more than seventy percent of the young individual. Many reports (Government and private) reveal the existence of skill gap amongst young Indians, and this is not the case of the single sector, and these conditions differ industrial sector to sector. Particularly in Indian retail, the required skills to work as a frontline employee are important to work daily activity efficiently at the workplace. This study showed that there is the existence of the influence of demographics of the frontline retail employee on their required skill sets. This study noted that the female retail frontline employee is more efficient with the concern of communication skill as compared to the male retail frontline employee. But this is turn around in the case of basic management skill and gender not matter in the case of technical skill sets. If we think about the relationship between other demographic characteristics such as locality, education level and young age group of retail front line employee with all these skill sets, it is showing the interesting findings. The soft skill, technical skill, and basic management skill level increase within increases of the level of education of frontline retail employee. But in the case of locality, it noted that the frontline retail employees coming from an urban area having the high level of all three skill sets as compare to employees belong to the semi-urban and rural area. While analyzing the skill sets with young age group, it found that the increase of age increases the level of communication and basic management skill, but it does not affect the with view of technical skill sets.

Segmentation work efficiently in today's marketplace and also can work more efficiently with consideration of employees demographics. With these research findings, we can say that the retailer has to categories their employee according to their demographic profile such as their gender, locality, age, and education qualification. With the help of frontline retail employee categorization, retailers can set their training strategy like they can concentrate on the enhancement of basic management skills while providing the training to female retail frontline employees. Proportionately this can be possible, such as retailers can develop different model if providing training to frontline retail employees based on their education level, as per their locality and age groups.

6. References

1. Cundiff EW. Concepts in Comparative Retailing. Journal of Marketing. 1965; 29(1):59-63.
2. India Retail Report. Food and grocery retail'', India Retail Forum and Images Multimedia, 1965.
3. Guruswamy M, Sharma K, Mohanty JP, Korah TJ. FDI in India's Retail Sector: More Bad than Good?. Economic and Political Weekly 2005; 40(7):619-623.

4. Kearney AT. Growth Opportunities for Global Retailers. Retrieved from URL: www.atkearney.com/shared_res/pdf/GRDI_2007.pdf, 2007.
5. Laufer EB. Retailing. The Analysts Journal. 1951; 7(4):88-89.
6. Mertes JE. The Shopping Center: A New Trend in Retailing. Journal of Marketing. 1949; 13(3):374-379.
7. Moriarty M, Ben-Shabat H, Gurski L, Padmanabham V R, Kuppuswamy, Prasad P, *et al.* Growth opportunities for global retailers – The A.T Kearney 2007 global retail development index. Chicago: A.T Kearney Inc, 2007.
8. Nystrom PH. Training for Retailing. National Marketing Review. 1936; 1(4):353-358.
9. Pradhan S. Retail management; Tata McGraw Hill publication; third edition, 2011; 1-4.
10. Pawar PA, Raut UR. Analysis of Employee Perceived Effectiveness of Training in Bridging Skill-gaps and Enhancing Job Satisfaction: Empirical Study of Retail Sector in India, Inventi Impact: Retailing & Consumer Services, 2012, 3.
11. Gawankar S, Kamble S, Raut R. Development, measurement and validation of supply chain performance measurement (SCPM) scale in Indian retail sector. Benchmarking: An International Journal. 2016; 23(1):25-60.
12. Rajagopalan K. Bridging skill gaps in retail employees. Human Capital. 2015; 19(2):42-43.
13. KPMG Report. Indian Retail on the Fast Track: Bridging the Capability Gaps, 2006.
14. Tribune News Service Report. High Stress Workplaces. The Tribune, 2007.
15. Paromita Goswami, Mridula Mishra S. Would Indian consumers move from kirana stores to organized retailers when shopping for groceries? Asia Pacific Journal of Marketing and Logistics. 2009; 21(1):127-143.
16. Kuruvilla SJ, Ganguli J. Mall development and operations: An Indian perspective, Journal of Retail & Leisure Property. 2008; 7(3):204-215.
17. Goyal BB, Aggarwal M. Organized Retailing in India- An Empirical Study of Appropriate Formats and Expected Trends, Global Journal of Business Research. 2009; 3 (2):77-83.
18. Srivastava RK. Changing retail scene in India. International Journal of Retail & Distribution Management. 2008; 36(9):714-721.
19. BMI India Retail Report-BMI Research, www.bmiresearch.com, 2015, 2016.
20. Cronbach LJ. Coefficient alpha and the internal structure of tests. Psychometrika, 1951; 16:297-334.