

# **A Study of HR Policies in Employee Recruitment and Selection at Retail Sector in India**

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## **Abstract**

The retail sector in India has witnessed significant growth in recent years, making it a crucial contributor to the country's economy. As this sector continues to expand, the need for effective human resource management, particularly in the areas of employee recruitment and selection, becomes paramount. This research study aims to provide a comprehensive analysis of the HR policies and practices in employee recruitment and selection within the Indian retail sector. By examining the various strategies, challenges, and trends in this domain, this research seeks to offer valuable insights that can benefit both retail organizations and policymakers. The study employs a mixed-methods approach, combining surveys, interviews, and document analysis to gather data from a diverse sample of retail companies across India. The research findings will shed light on the existing recruitment and selection practices, as well as their alignment with industry standards and best practices. Additionally, the study will explore the impact of HR policies on employee retention, performance, and overall organizational success.

**Keywords:** *Retail Sector, employee recruitment, employee selection, HR policies, employee retention, employee performance*

## **Introduction**

The retail sector in India, characterized by its sheer scale, diversity, and rapid evolution, serves as a vital contributor to the nation's economic growth and employment opportunities. This industry is known for its unique HR challenges, stemming from high employee turnover rates, a diverse customer base, and the ever-changing consumer landscape. Successful operation in this environment necessitates an adept and dynamic approach to human resources (HR) management, particularly in the domains of employee recruitment and selection. This research paper endeavours to explore the multifaceted HR policies and strategies employed in the Indian retail sector to attract, identify, and on board the right talent.

The selection of candidates in retail is a pivotal determinant of organizational success, as employees in this sector serve as the face of the brand, impacting customer satisfaction, loyalty, and ultimately, the bottom line (Dessler, 2017). This dynamic and customer-centric industry requires HR professionals to be agile and innovative in their approaches to recruitment and selection (Kavanagh et al., 2016). Given the sheer scale of the retail sector in India, which consists of diverse formats such as supermarkets, hypermarkets, e-commerce, and specialized stores, HR policies need to be adaptable to cater to the specific demands of each retail format. Moreover, with India's large population and burgeoning middle class, the retail sector is experiencing continued growth and fierce competition (Kumar, 2018). As a result, HR strategies must effectively address these challenges, from identifying potential candidates in a vast talent pool to retaining them in the long term.

This paper aims to provide an in-depth analysis of the HR policies and strategies used in employee recruitment and selection in the retail sector in India. It will explore the various stages of recruitment and selection, from job analysis and description to background checks and references. The importance of diversity and inclusion, as well as compliance with labour laws, will be highlighted, considering the unique labour landscape in India. Additionally, the paper will delve into the role of training and on boarding in preparing new hires for the fast-paced and customer-centric retail environment, as well as the significance of employee retention and engagement in an industry characterized by high turnover.

Moreover, the research will examine the impact of technology on the HR policies in the retail sector, addressing the ongoing need for upskilling and adaptation to technological advancements. The findings of this research will not only contribute to a deeper understanding of HR policies and strategies in the retail sector

but also provide practical insights for HR professionals and retailers to enhance their recruitment and selection practices. In pursuit of this objective, the research paper will critically analyse existing HR policies and practices within the Indian retail sector, draw comparisons with international best practices, and identify areas for improvement. The ultimate aim is to offer actionable recommendations that can help retail organizations in India optimize their HR strategies for employee recruitment and selection, thereby strengthening their competitive edge in this dynamic industry.

## **Literature Review**

The retail sector in India has witnessed remarkable growth and transformation over the years, driven by increasing consumer demand and changing market dynamics. To meet the evolving needs of this dynamic industry, human resource (HR) policies and strategies in employee recruitment and selection have become crucial. This literature review aims to provide insights into the existing body of knowledge on HR policies in the Indian retail sector.

Kumar and Sharma (2019) delved into the implications of e-commerce on HR policies, highlighting the need for a flexible and adaptive approach to recruitment and selection.

Kumar (2018) Retail is notorious for its high turnover rates, making it necessary to include strategies for retaining talent in HR policies. Competitive compensation and career growth opportunities are crucial retention tools.

Sharma and Gupta (2018) conducted a study on recruitment and selection strategies adopted by leading retail chains. Their findings highlighted the use of technology-driven recruitment processes, as well as the importance of cultural fit in the selection process.

Dessler (2017) has proposed that effective job analysis and clear job descriptions are foundational in employee recruitment and selection. It is essential for retail organizations to precisely define the roles and responsibilities of their employees to match candidates with specific job demands.

Gupta and Patel (2017) explored the issues related to attracting and retaining talent in the retail sector, emphasizing the need for targeted strategies to address high turnover rates.

Kavanagh et al. (2016) explained the recruitment strategies within the Indian retail sector encompass various channels, such as online job portals, social media, walk-ins, and referrals.

These strategies allow retail companies to access a wide pool of potential candidates.

HR policies and strategies in employee recruitment and selection within the Indian retail sector are vital for matching the industry's dynamic nature. They need to address job analysis, diversity, compliance, and employee engagement while also tackling the high turnover rates and the impact of technology on retail operations.

## **Objective**

To perceive the HR policies that are beholden for the employees of retail sector in India and to provide further aspects of improvements.

## **Methodology**

**Sources of Data Collection:** Both primary and secondary data sources will be used to generate this report. Primary data sources are scheduled survey, informal discussion with professionals. The primary information has been collected through face to face interview, observation, and by participation in the recruitment and selection process. The secondary information has been collected from various past research survey, journals other relevant sources. Total sample size is 150. Convenience Sampling techniques has been used. For Analysis percentage and chi-square test is used.

## Analysis

**Table1. Recruitment & Selection Within the Organizations**

S.No	Element	Density	%
1	Yes	60	36
2	No	90	64
	Total	150	100

**Conclusion:** 64% of the professionals are recruited by promoting the workers already working within the organization and the rest 36% are recruited through placement drives and other outside source.

**Table2. Impact of HR Policies in Decision Making**

S.No	Element	Density	%
1	Knowledge Regarding Organizational Policies	32	24
2	HR Associated Updates	45	26
3	Hiring of Personnel	26	17
4	Performance Evaluation of the Employee	47	33
	Total	150	100

**Conclusion:** 33% of the HR's realizes the effects of the Performance Evaluation of the Employee and 26% of them realizes about the HR related updates. 24% and 17% of them feel its related to the organisational policies knowledge and appointment of the employees.

**Table3. Essential HR Policies**

S.No	Element	Density	%
1	Recruitment Policy	39	28
2	Anti-Harassment and Non-Discrimination Policy	16	12
3	Rewards & Recognition	24	9
4	Career Planning	12	19
5	Leave and Time-Off Benefits Policy	15	8
6	Compensation & Benefits	10	4
7	Timekeeping and Pay Policy	13	6
8	Employee Conduct, Attendance & Punctuality Policy	21	14
	Total	150	100

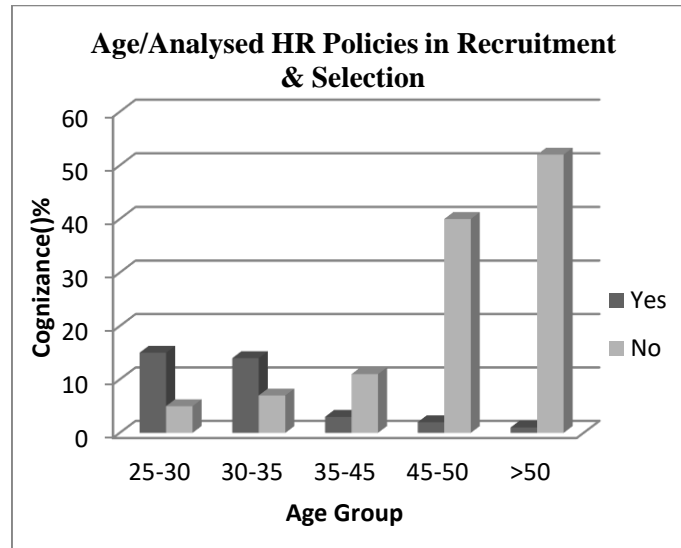
**Conclusion:** 28% and 19% of the respondents feel that Recruit Policy and Reward & Recognition are the best practices in the company. 14% and 12% of the respondents feel that Employee Conduct and Anti-Harassment & Non-Discrimination Policy are the best. 9%,8%,6% & 4% of the respondents are of the opinion that Career Planning, Benefit Policies, Pay Policy and Benefits are the best practices.

### Chi Square Inspection:

A comparison between Respective Age and Conscious Awareness of HR Policies during the time of Recruitment & Selection:

Sl. No	Respective Age	Awareness of the HR Policies in Recruitment & Selection
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		Yes	No	Total
1	25-30	15	5	20
2	30-35	14	7	21
3	35-45	3	11	14
4	45-50	2	40	42
5	>50	1	52	53
6	Total	35	115	150



## Calculations

S.No	Observed Frequency(O)	Expected Frequency(E)	(O-E)	(O-E-0.5) <sup>2</sup>	((O-E-0.5) <sup>2</sup> )/E
1	15	0.133333	14.866667	206.4011	1548.0121
2	14	0.14	13.86	178.4896	1274.9257
3	3	0.093333	2.906667	5.79205	62.0579
4	2	0.28	1.72	1.4884	5.3157
5	1	0.353333	0.646667	0.0215	0.0608
6	5	6.933333	-1.933333	5.9211	0.8541
7	7	7.28	-0.28	0.6084	0.0836
8	11	4.853333	6.146667	31.8848	6.5697
9	40	14.56	25.44	622.0036	42.72
10	52	18.373333	33.626667	1097.3761	59.7266
					$\Sigma=3000.3262$

The Calculated Value = 3000.3262

Degrees Of Freedom (df) = (r-1)\*(c-1)  
= (5-1)\*(2-1)

The Indexed Value of Chi-Square  $\alpha = 0.05$  for 4 df is 9.488.

Since the calculated value is > table value,

$H_1$  = Accepted

$H_0$  = Rejected

There is a remarkable difference between the various age groups of employees and the impact of the HR policies at the time of their recruitment & selection.

## Discovery from the Study:

64% of the majority of the HR professionals are not aware of the HR policies and only 36% people are aware of the policies.

A supreme portion of 33% of the HR's sense that it affects the decision making on the performance evaluation of employees and 26% HR domain up gradations.

A little amount of 24% and 17% of them feel its impacts related to organization policies knowledge and recruitment of the apt personnel.

The age of HR professionals and their level of awareness varies with respect to HR Policies. Leave and Time-Off Benefits Policy has a profound influence on Employee Conduct, Attendance and Punctuality Policy.

There are five principal sources for determining the content and meaning of policies. These are Past practice in the organization, prevailing practice in rival companies, Attitudes and philosophy of founders of the company has also its directors and the top management, Attitudes and philosophy of middle and lower management. The knowledge and experience gained from handling countless personnel problems on day to day basis.

The general steps used by the hiring managers are: Identify an opening or new position within the company, Decide to fill the position internally or hire externally, Review and update the job description or create one if it's a new position in the company, Compose an ad for the position, Identify the appropriate platform for posting the ad; internal or external, Decide on selection process and timeframe, Review resumes already in the company database, Consider passive candidates and contact them, Shortlisted candidates will be taken through the selection process, Select the most suitable candidates, Conduct background checks, Select the candidate chosen to join the company, Give an offer letter indicating the effective date, Issue the contract letter once the candidate accepts the offer, Issue a confirmation letter after the candidate successfully completes the probation.

An opportunity can be advertised internally before the company seeks external candidates. For internal advertisement the managers should: Set a deadline for receiving applications. Alert the employees to the opening(s) through company communication outlets such as newsletters, emails or announcements from departmental heads. There is also a possibility of using the Applicant Tracking System's automated emails.

Job ads are official communications that must depict our corporate image in every respect; from style and tone to presentation. The language must be professional and polite and must abstain from any form of bias. Job ads should include a full description of the role. The ad should be clear and accurately capture the profile of the position. The ad should include quick summary of the company's mission, brief description of the purpose of the role in the company, list of the principal objectives of the position, summary of principal requirements, application procedure and any documentation that may accompany applications, deadline for submitting applications.

The standard hiring process can be adapted to suit the requirements of a specific role. The standard process has the following stages: Screening of resumes, Phone screening, Assignment. Extra stages can be added (while some can be removed), at the discretion of the hiring manager and depending on the position being recruited for. For example, a manager can choose to add these stages: Assessment centres, Group interviews, Competency selection tests, Referrals evaluation. However, the resume screening and interview steps must be adhered to.

Candidates need to know the results of their interview and hiring managers should always communicate with the candidates and update them accordingly. It would be injurious to our employer brand if candidates sit for an interview and are not informed of their results. Hiring managers are also encouraged to send interview feedback to the candidates, and ensure that such feedback is professionally presented, brief, and respectful. It may be important to cross-check with HR whether there is a prospect of legal action.

Sometimes, an offer of employment has to be revoked, in which case an official communication should be done detailing the reasons. The reasons must be legitimate. Legitimate causes for revoking offers include: Candidate cannot take up the position because he or she is not legally allowed to work for the company at a

certain location, Candidate presented false references or otherwise misled the company on a substantive issue during the recruitment process, Candidate fails to accept the offer within the deadline indicated in the offer letter and without a valid reason. Whenever this happens, hiring managers and HR must inform the candidates as soon as possible.

## **Conclusion**

The comprehensive study of HR policies in employee recruitment and selection within the Indian retail sector has provided valuable insights into the current practices, challenges, and opportunities that organizations in this sector face. Through a rigorous examination of the industry, our research has shed light on several crucial aspects of HR policies that deserve attention.

The retail sector in India thrives on diversity, both in terms of customer demographics and employee talent. It is evident that HR policies that promote diversity and inclusion result in a more representative workforce and contribute to a deeper understanding of customer needs. Inclusion should not be limited to gender or ethnicity but should encompass all dimensions of diversity, including age and abilities.

The adoption of technology in recruitment and selection processes is essential for staying competitive in the dynamic retail environment. Leveraging AI-driven tools, data analytics, and digital platforms can streamline the hiring process, reduce human bias, and ensure that candidates are matched more accurately with job requirements.

The retail industry's fast-paced nature requires a skilled and adaptable workforce. HR policies that emphasize continuous training and development are vital to ensure that employees remain up-to-date with industry trends, technological advancements, and evolving customer preferences.

Establishing effective feedback mechanisms within HR policies is paramount. Regular feedback from employees, as well as candidates, allows organizations to make data-driven decisions, improve their recruitment strategies, and enhance the overall employee experience.

Compliance with labor laws and regulations is non-negotiable. It is essential for organizations to maintain ethical and legal standards in their recruitment and selection practices. Adhering to equal opportunity and anti-discrimination laws is not just a legal requirement but also a fundamental ethical imperative.

The research findings offer several implications for retail sector organizations in India: Embrace diversity and inclusion in recruitment and selection practices, not only as a legal requirement but as a strategic imperative. Develop policies and practices that encourage diversity in the workforce to cater to a diverse customer base.

Invest in technology to enhance and modernize the recruitment and selection process. Consider integrating AI tools and data analytics to make the hiring process more efficient, accurate, and bias-free.

Prioritize employee development programs to maintain a skilled and adaptable workforce. Training and upskilling initiatives should align with the evolving needs of the retail sector.

Foster a culture of open communication and feedback. Encourage candidates and employees to provide feedback on recruitment and selection processes to identify areas for improvement.

Ensure strict compliance with labor laws and regulations. Implement and maintain policies that uphold equal opportunity and anti-discrimination standards.

In conclusion, HR policies in employee recruitment and selection in the Indian retail sector are pivotal in determining the industry's success and sustainability. Embracing diversity, integrating technology, prioritizing employee development, and maintaining ethical and legal standards should be at the core of these policies. By implementing the recommendations outlined in this study, retail sector organizations in India can adapt to the evolving industry landscape, attract and retain top talent, and build a workforce that mirrors the diverse needs of their customers. Policymakers should also work in collaboration with the industry to create a supportive regulatory framework that encourages ethical and inclusive HR practices.

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