

EMPLOYMENT OPPORTUNITIES IN GROWING RETAIL SECTOR IN INDIA

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RETAIL SCENARIO OF INDIA

The retail scenario in India is unique. Much of it is in the unorganized sector, with over 12 million retail outlets of various sizes & formats. Almost 96% of these retail outlets are less than 500 sq.ft. in size, the per capita retail space in India being 2 sq.ft. compared to the US figure of 16 sq.ft. India's per capita retailing space is thus the lowest in the world. With more than 9 outlets per 1000 people India has the largest number in the world. Most of them are independent and contribute as much as 96% to the retail sales. Because of the increasing number of nuclear families, working women, greater work pressure and increased commuting time, convenience has become a priority for Indian consumers. They want everything under one roof for easy access and multiplicity of choice, this offers an excellent opportunity for organized retailers in the country.

The growth and development of organized retailing in India is driven by two main factors – lower prices and benefits the consumers can't resist. According to experts, economies of scale drive down the cost of supply chain, allowing retailers to offer more benefits offered to the customer.

GROWTH PERSPECTIVE OF RETAIL SECTOR IN INDIA

The BMI India Retail Report for the third-quarter of 2010, forecasts that the total retail sales will grow from US\$ 353 billion in 2010 to US\$ 543.2 billion by 2014. With the expanding middle and upper class consumer base, there will also be opportunities in India's tier II and III cities. The greater availability of personal credit and a growing vehicle population to improve mobility also contribute to a trend towards annual retail sales growth of 11.4 per cent. Mass grocery retail (MGR) sales in India are forecast to undergo enormous growth over the forecast period. BMI further predicts that sales through MGR outlets will increase by 154 per cent to reach US\$ 15.29 billion by 2014. This is a consequence of India's dramatic, rapid shift from small independent retailers to large, modern outlets.

China and India are predicted to account for almost 91 per cent of regional retail sales in 2010 and by 2014 their share of the regional market is expected to be more than 92 per cent. Growth in regional retail sales for 2010-2014 is estimated by BMI at 72.2 per cent, an annual average of 14 per cent. India should experience the most rapid rate of growth in the region, followed by China. For India, its forecast market share of 13.9 per cent in 2010 is expected to increase to 14.3 per cent by 2014.

Moreover, for the 4th time in five years, India has been ranked as the most attractive nation for retail investment among 30 emerging markets by the US-based global management consulting firm, A T Kearney in its 8th annual Global Retail Development Index (GRDI) 2009. India remains among the leaders in the 2010 GRDI and presents major retail opportunities. India's retail market is expected to be worth about US\$ 410 billion, with 5 per cent of sales through organized retail, meaning that the opportunity in India remains immense. Retail should continue to grow rapidly—up to US\$ 535 billion in 2013, with 10 per

cent coming from organized retail, reflecting a fast-growing middle class, demanding higher quality shopping environments and stronger brands, the report added. Bharti Retail strengthened its position in northern India by opening 59 stores, Bharti Wal-Mart is expected to open 10 to 15 wholesale locations in the next three years, and Marks & Spencer is considering plans to open additional outlets in the next few years.

According to a McKinsey & Company report titled 'The Great Indian Bazaar: Organized Retail Comes of Age in India', organized retail in India is expected to increase from 5 per cent of the total market in 2008 to 14 - 18 per cent of the total retail market and reach US\$ 450 billion by 2015.

India continues to be among the most attractive countries for global retailers. Foreign direct investment (FDI) inflows between April 2000 and April 2010, in single-brand retail trading, stood at US\$ 194.69 million, according to the Department of Industrial Policy and Promotion (DIPP).

- British high street retailer, Marks and Spencer (M&S) plans to significantly increase its retail presence in India, targeting 50 stores in the next three years. M&S currently operates 17 stores in India through a joint venture (JV) with Reliance Retail.
- Chinese retail major, Yishion has entered the Indian market and plans to have at least 125 points of sales, including exclusive stores and multi-brand outlets, across India by 2012. It will open its first exclusive store in New Delhi by September 2010.
- Bharti Retail, owner of Easy Day store—supermarkets and hyper marts—plans to invest about US\$ 2.5 billion over the next five years to add about 10 million sq ft of retail space in the country by then, according to a company spokesperson.

EMPLOYMENT GENERATION BY INDIAN ORGANIZED RETAIL SECTOR

Lots of employment generation by Indian Organized Retail Sector in the near future. India is going through a radical economic change. Though it is very infant stage, people can feel the climate is changing. The unorganized retailers takes the lion's share in the Indian retail sector, but the organized **retailers** are growing at a good pace, and promises an increase of proportion of 9 - 10% by 2010. This is to be the largest sector after the agricultural sector.

The increase in the number of consumers twinned with the introduction of organized sector has brought numerous corporate investments in retail sector. The entry of super markets, enormous departmental stores, and shopping malls have encouraged the retailers to look at new business plans of expansion. An economic growth on a monumental scale is offered by the Indian retail sector, equally in the national and international market which in turn will generate a huge source of employment and a variety of options for the consumers. The Ernst & Young's report 'The Great Indian Retail Story', anticipates that the Indian retail sector would come up with 13 million employment opportunities within the year 2013.

Benefits to the economic growth:-

- Better quality products and services would lead to better competition
- More exports bring more foreign direct investments
- Organized Indian retail sector would encourage tourism
- Along with the employment boom there would be a vast development in the expertise of the human resource

- There would remain future scope for improvements in agriculture, small, and medium scaled with the help of the Indian retail sector

The present employment in the retail business is nearly 4 crores and around 20 crores depends on this sector. There is a scope of better exposure to the international standards with the entry of transnational companies, which in turn is encouraging more & more retail management programs to open up and help bridging the gap of supply & demand of talented professionals for management. With retail sector to grow with its predictable potential in respect of quantity and stability, offers a respective boom in the employment market. It is estimated that by 2013 the sector will create about 13 million jobs in India.

It is also auspicious to hear that about 60 per cent of these job vacancies will be in the rural India. The trend will help a lot to check migration of educated manpower from rural areas to the metro cities. As major companies that are already operating in the sector, including Future Group, Reliance Industries and Retail Solution Group are targeting to multiply its workforce to ten folds, there are about a dozen of world's renowned retail groups are preparing to take part the march. With rapidly expanding departmental stores and huge shopping malls, plenty of job opportunities are opening all over India. An estimated growth rate in retail sector in India has been about 30-40% with establishment of more than 200 shopping malls. It is estimated that the retail sector will create over 13 million jobs throughout the country by 2012. More than 60% of these jobs will be available in the rural areas.

WHY COMPANIES PREFER YOUTH IN RETAIL SECTOR

"Take away my factories, but leave my people, and soon we will have a new and better factory." Andrew Carnegie, the American steel billionaire. The boom in the retail sector in India and its corresponding spike in demand for young talent has under scored the need for effective HR systems. In India, sudden and unprecedented growth in organized retailing poses a challenge to human resources development. Therefore, it would be useful to look at the dimension of human resource practices in retail industry, emerging requirements and challenges and measures to improve work atmosphere in Indian scenario. Organized retailing is highly manpower intensive. Retailing is the second largest employer in India, presently it employs about 22 million people. The present scenario depicts that there will further be a very high demand for manpower to match the scope of roll out plans of various players in the near future. It is estimated that 8 million people will be required in organized retail by 2011 (Pant 2007).

The sector is facing talent crunch because neither the talent required on such a large scale in the sector are available nor there is training infrastructure facility for them. Employment opportunities for youth, According to PricewaterhouseCoopers (PwC) it is said that retailing will create additional eight million jobs though retailing In India and will benefit population by employing local (Urban) youth and others directly or indirectly.

Herein lies the opportunity for the youths to cash in because the Youth of Today is powerful and influential. The world is comprised with a vibrant and technology- driven young populace. Today's youth is completely opposite of yesterday. The young people of today are abuzz with modernity that enables them to be more empowered and influential.

The fast-paced life driven by modern technology affect greatly to the young. They are more innovative, creative and have a strong will to succeed. Majority of young people are as strong-willed and passionate and it is becoming evident as the years go by. They represent a new dimension of young people.

SALARIES, PERKS & PACKAGES FOR EMPLOYEES

In general, hefty salary packages with attractive perks and allowances are offered by the employers luring the talent of this country into the retail industry. Surprisingly the average salary of even a fresher could be up to Rs.20,000/- with an assured average salary hike of 16% per annum. In some organizations the growth in salary ranges from Rs.60,000/- to Rs.70,000/- annually. Many organizations have salary range from Rs. 60000/- to 120000/- for lower staff and around Rs. 500,000/- per annum for higher positions.

CONCLUSION

Retail sector is witnessing exponential growth in Indian market hence promising the employment for larger population of India in every geographical sector. Indian retail sector is rapidly growing, the companies are doing there expansion & entering into new market. The increased competition & potential of semi urban & rural market is leading companies to enter in the new semi urban market, which in result generating huge number of employment in this sector. Companies are giving good packages for the employees to get good talent & to retain best talent. It is the great opportunity for the youngsters of India to get good job. But at the same time if they want a good career in this sector they need to develop their skills, qualification & need to do quality hard work.

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