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# **THE ROLE OF HUMAN RESOURCE MANAGEMENT IN ENHANCING EMPLOYEE SATISFACTION AND PERFORMANCE IN RETAIL**

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## **ABSTRACT**

The entry of international companies into the Indian retail industry has created significant hurdles for local retail enterprises by exacerbating the shortage of skilled people needed to meet the growing demand. This article aims to analyze the perceptions of common human resource (HR) practices, and how they relate to the level of commitment among employees in the retail sector. Although there have been several studies in recent decades investigating the development of employees' commitment to an organization, the full extent of the possible benefits of implementing excellent HR policies on commitment has not been thoroughly examined. The studies' findings have yielded data suggesting that firms can really affect employee commitment through the implementation of HR strategies. Moreover, research has indicated that employees' perceptions of HR practices play a crucial role in determining the level and intensity of their commitment. Human capital is an essential component for running any organization, especially in the retail industry where a significant number of personnel are needed to provide various services to

customers. The rapid growth of the retail sector has underscored the importance of efficient human resources systems and strategies. The Indian retail industry is currently facing several significant challenges. These include a lack of trained workers, a shortage of development programs to improve the capabilities of existing employees, and difficulties in retaining staff due to high attrition rates. There is a claim that it is necessary to augment the traditional method of gaining a competitive edge by improving the organization's ability to successfully manage its personnel, also known as organizational capability. This pertains to the fact that organizations must not only have systems in place to recruit, but also to retain skilled employees and enhance their current abilities through efficient human resource management (HRM) practices.

**Keywords:** Human Resource Management, HRM, Employee Satisfaction, Performance, Retail

## INTRODUCTION

The workforce plays a critical role in the development of the retail industry, which is characterized by intense competition and wide-ranging consumer interaction. In this industry, employee performance and happiness are critical since they directly affect the customer experience, which in turn affects the profitability and growth of the company (Spector, 1997). In this situation, the use of methods by Human Resource Management (HRM) is crucial to the creation of a happy and productive staff. Employee satisfaction, which is the degree to which individuals are satisfied with their job obligations, has a substantial impact on organizational performance (Locke, 1976). High work satisfaction levels improve customer service, staff engagement, and turnover rates—all of which are critical for retail organizations (Harter, Schmidt, & Hayes, 2002). Job satisfaction is influenced by a variety of characteristics, including a positive work atmosphere, fair pay, chances for career progress, and a good work-life balance (Herzberg, 1968; Judge, Thoresen, Bono, & Patton, 2001).

Similarly, employee performance—the efficacy and efficiency with which work tasks are carried out—is influenced by HRM methods, such as training and development, performance reviews, and motivating incentives (Aguinis, 2013). In the retail industry, where frontline personnel often represent the company, upholding high performance standards is critical for fostering customer happiness and loyalty (Schneider, White, & Paul, 1998). By creating a work environment that meets employees' needs and is in line with the goals of the company, HRM practices aim to increase employee happiness and performance. Performance management systems, for instance, ensure continuous feedback and improvement, and extensive training programs give staff members the necessary abilities to carry out their duties successfully (Noe, Hollenbeck, Gerhart, & Wright, 2006). Furthermore, possibilities for professional progression and fair remuneration contracts nurture a dedicated and motivated staff (Gerhart & Rynes, 2003).

## REVIEW LITERATURE

According to research conducted by Harter et al. (2002) and Schneider et al. (2003), work satisfaction is a strong predictor of customer happiness, employee retention, and overall business performance in the retail industry. According to Locke (1976) and Herzberg (1968), job satisfaction is influenced by a number of factors, including the work environment, salary,

recognition, possibilities for professional advancement, and the ability to maintain a healthy work-life balance. It is beneficial to employees to provide them with opportunities for training and development since it helps them improve their skills and advance their careers, which ultimately results in increased job satisfaction (Kundu & Malhan, 2009). According to Gerhart and Rynes (2003), for employees to feel satisfied with their jobs, it is essential to provide them with competitive remuneration packages that include perks such as health insurance, retirement plans, and bonuses. According to Kossek and Lambert (2005), employee happiness is greatly increased when employers provide flexible working hours, liberal leave policies, and assistance for employees' personal needs. According to Aguinis (2013), it is vital to have effective performance management systems in place in order to improve employee performance. These systems should include clear performance expectations, regular feedback, and recognition activities. Employees that are motivated and involved in their work are more likely to work more effectively. (Deci & Ryan, 2000) Human resource management techniques that contribute to the creation of a healthy work environment, recognition, and incentives all play an important part in this.

According to Roberson (2006), it is essential to focus on diversity and inclusion within human resource management techniques in order to cultivate a pleasant work environment, as well as to improve employee happiness and performance. The retail industry is undergoing fast change as a result of ongoing technological improvements. According to Stone et al. (2015), human resource management strategies need to adjust to these changes by using digital technologies for employee engagement, performance management, and training initiatives. Establishing long-term human resource management strategies that prioritize the success of the firm and the well-being of its employees is of the utmost importance. Among these are a focus on the health of employees, a balance between work and personal life, and ethical business operations (Ehnert et al., 2014). According to Noe et al. (2006), continuous training and professional development programs ensure that personnel continue to be competent and confident in their responsibilities, which ultimately brings about an increase in levels of performance. This guarantees that employees have the essential skills and are a good match for the culture of the firm, which ultimately leads to improved performance (Ployhart, 2006). This is accomplished by hiring the right personnel through a rigorous recruitment and selection process. According to Murphy and Cleveland (1995), conducting regular performance assessments helps in identifying areas that need work, creating goals, and providing constructive criticism, all of which contribute to an improvement in performance.

According to Bryant and Allen (2013), Walmart's human resource management methods. These practices include thorough training programs and performance-based rewards. These policies have been connected to enhanced employee happiness and performance, which has contributed to the company's success as a retail behemoth. It is well known that Starbucks places a significant emphasis on the growth and well-being of its employees. According to Schultz and Yang (1997), the corporation's human resource management policies, which include intensive training, opportunities for career growth, and perks, have led to high levels of employee

satisfaction and performance. The establishment of a robust business culture and the provision of great employee perks are two of Zappos' primary goals. According to Hsieh (2010), the company's human resource management techniques, which include providing large employee perks and cultivating a healthy work environment, have resulted in high levels of employee satisfaction and performance.

## **RESEARCH METHODOLOGY**

The main aim of this research is to assess the the role of human resource management employee satisfaction techniques prevalent in the Indian retail sector & showing its relationship with employee performance. To achieve this goal, total 115 respondents responded with complete information. All respondents belonging to retail sector working as a senior or junior employee. The secondary data has been gathered through many online published articles, books etc. The research is primary & quantitative in nature. SPSS has been used for analytical results. Correlation test has been applied for the same.

## **OBJECTIVE OF THE STUDY**

- To study HRM practices in retail
- To find correlation in between employee performance & employee satisfaction
- To provide, recommendations, findings & conclusion

## **Hypothesis**

**H01:** There is no significant and positive relationship between employees' satisfaction of recruitment and selection techniques, training and development techniques, compensation and benefits techniques, work-life balance techniques, career development techniques, health and safety techniques prevalent in the retail organization and enhancing employees' performance among retail sector employees.

**H01:** There is a significant and positive relationship between employees' satisfaction of recruitment and selection techniques, training and development techniques, compensation and benefits techniques, work-life balance techniques, career development techniques, health and safety techniques prevalent in the retail organization and enhancing employees' performance among retail sector employees.

## **Demographic Analysis**

**Table 1: Demographic Profile of Respondents**

Gender-Wise		Age-Wise		Qualification-Wise		Experience-Wise		Sector-Wise	
Male (M)	79	<24 Yrs	08	Under-Graduate/Graduate	56	<4 Yrs Exp.	24	Un-Organized Retail Sector	69
Female (F)	36	25-29 Yrs	35	Post-Graduate	42	5-8 Yrs Exp.	57	Organized Retail Sector	46
Total	115	30-34 Yrs	27	Diploma/Professional /Certificate Course in Retail	17	9-12 Yrs Exp.	21	Total	115
		35-39 Yrs	21	Total	115	>12 Yrs Exp.	13		
		40-44 Yrs	14			Total	115		
		>45 Yrs	10						
		Total	115						

**DATA ANALYSIS & INTERPRETATION**

The association between “enhancing employees' performance ” and "employees' satisfaction" of the HRM techniques prevalent in the retail organisation was assessed using the Pearson correlation.

The association between enhancing employees' performance and employees' satisfaction through HRM techniques in the retail sector was assessed using the Pearson correlation. There is a linear correlation between two variables, and this statistical method measures its amount and direction. A numerical metric that can take on values between -1 and 1 is the Pearson correlation coefficient. When the value is closer to 1, it means that the variables being compared are strongly positively associated, and when it's closer to -1, it means that the variables are strongly negatively associated. If the values are close to zero, it means the variables are not linearly related.

**Table 2: Correlations between Enhancing Employees' Performance & Recruitment and Selection Techniques**

		Enhancing Employees' Performance	Recruitment and Selection Techniques
Enhancing Employees' Performance	P.Correlation	1	.0616**
	Sig. (2-tailed)		.000
	N	115	115
Recruitment and Selection Techniques	P.Correlation	0.616**	1
	Sig. (2-tailed)	.000	
	N	115	115

\*\**. “Correlation is significant at the 0.01 level (2-tailed); P.Correlation indicates Pearson Correlation”*

“Pearson correlation: 0.616\*\* Significance (2-tailed): 0.000 N (Sample Size): 115”. The Pearson correlation coefficient of 0.616 suggests a robust positive correlation between the enhancement of employees' performance and the implementation of recruitment and selection strategies. The correlation is statistically significant, as evidenced by the p-value (0.000) being less than 0.01. Higher employee performance in the retail sector is closely associated with effective recruitment and selection processes.

**Table 3: Correlations between Enhancing Employees' Performance & Training and Development Techniques**

		Enhancing Employees' Performance	Training and Development Techniques
Enhancing Employees' Performance	P.Correlation	1	.0581**
	Sig. (2-tailed)		.000
	N	115	115
Training and Development Techniques	P.Correlation	0.518**	1
	Sig. (2-tailed)	.000	
	N	115	115
** <i>. “Correlation is significant at the 0.01 level (2-tailed); P.Correlation indicates Pearson Correlation”</i>			

“Pearson Correlation: 0.581\*\* Significance (2-tailed): 0.000 N (Sample Size): 115”. The significant positive relationship between enhancing employees' performance and training and development techniques is indicated by the Pearson correlation coefficient of 0.581. This suggests that comprehensive training programs have a substantial impact on the enhancement of employee performance, and the result is statistically significant with a p-value of 0.000.

**Table 4: Correlations between Enhancing Employees' Performance & Compensation and Benefits Techniques**

		Enhancing Employees' Performance	Compensation and Benefits Techniques
Enhancing Employees' Performance	P.Correlation	1	.0405**
	Sig. (2-tailed)		.000
	N	115	115
Compensation and Benefits Techniques	P.Correlation	0.405**	1
	Sig. (2-tailed)	.000	
	N	115	115
** <i>. “Correlation is significant at the 0.01 level (2-tailed); P.Correlation indicates Pearson Correlation”</i>			

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“Pearson correlation: 0.405\*\* Significance (2-tailed): 0.000 N (Sample Size): 115”. An moderate positive correlation between compensation and benefits techniques and employee performance enhancement is indicated by the Pearson correlation coefficient of 0.405. This indicates that employee performance is moderately correlated with competitive compensation and benefits, with a statistically significant result (p-value = 0.000).

**Table 5: Correlations between Enhancing Employees' Performance & Work-Life Balance Techniques**

		Enhancing Employees' Performance	Work-Life Balance Techniques
Enhancing Employees' Performance	P.Correlation	1	.0318**
	Sig. (2-tailed)		.000
	N	115	115
Work-Life Balance Techniques	P.Correlation	0.318**	1
	Sig. (2-tailed)	.000	
	N	115	115
**. “Correlation is significant at the 0.01 level (2-tailed); P.Correlation indicates Pearson Correlation”			

“Pearson correlation: 0.318\*\* Significance (2-tailed): 0.000 N (Sample Size): 115”. The moderate positive relationship between work-life balance techniques and the enhancement of employees' performance is indicated by the Pearson correlation coefficient of 0.318. The conclusion that work-life balance has a moderately positive impact on employee performance is supported by the statistical significance (p-value = 0.000).

**Table 6: Correlations between Enhancing Employees' Performance & Career Development Techniques**

		Enhancing Employees' Performance	Career Development Techniques
Enhancing Employees' Performance	P.Correlation	1	.0221**
	Sig. (2-tailed)		.000
	N	115	115
Career Development Techniques	P.Correlation	0.221**	1
	Sig. (2-tailed)	.000	
	N	115	115
**. “Correlation is significant at the 0.01 level (2-tailed); P.Correlation indicates Pearson Correlation”			

“Pearson correlation coefficient: 0.221\*\* 2-tailed significance: 0.000 Number of participants: 115”. The limited positive relationship between career development techniques and

the enhancement of employees' performance is indicated by the Pearson correlation coefficient of 0.221. This suggests that career development has a statistically significant p-value of 0.000, while it does contribute to enhanced performance. However, its impact is relatively weaker than that of other factors.

**Table 7: Correlations between Enhancing Employees' Performance & Health and Safety Techniques**

		Enhancing Employees' Performance	Health and Safety Techniques
Enhancing Employees' Performance	P.Correlation	1	.0.221**
	Sig. (2-tailed)		.000
	N	115	115
Health and Safety Techniques	P.Correlation	0.221**	1
	Sig. (2-tailed)	.000	
	N	115	115
** . "Correlation is significant at the 0.01 level (2-tailed); P.Correlation indicates Pearson Correlation"			

“Pearson correlation coefficient: 0.221\*\* 2-tailed significance: 0.000 Number of participants: 115”. In the same vein, the Pearson correlation coefficient of 0.221 for health and safety techniques suggests a modest positive correlation with employee performance. The influence of health and safety measures on performance is relatively less pronounced, despite the statistical significance (p-value = 0.000).

### Overall Interpretation

<b>Strong Associations</b>	Recruitment and selection, and training and development techniques show strong positive correlations with enhancing employee performance. These are critical areas where retail HRM can focus to achieve significant improvements in performance.	The significant p-values across all correlations indicate that these findings are statistically reliable. HRM in retail should prioritize recruitment, selection, and training programs to boost employee performance, while also considering compensation, work-life balance, career development, and health and safety to ensure a comprehensive approach to employee satisfaction and performance enhancement.
<b>Moderate Associations</b>	Compensation and benefits, and work-life balance techniques have moderate positive correlations. These areas also contribute to performance, but their impact is less strong compared to recruitment and training.	



<b>Weak Associations</b>	Career development and health and safety techniques have weak positive correlations with performance. While they are important for overall employee well-being and long-term satisfaction, their immediate impact on performance is less substantial.	
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### FINDINGS OF THE STUDY

The study's data analysis and interpretation unveil numerous significant findings regarding the correlation between improving employees' performance and employee satisfaction through different HRM strategies in the retail sector:

- Efficient recruitment and selection procedures are vital for improving employee performance. By guaranteeing optimal job fit, these strategies greatly enhance performance levels among retail staff. There is a strong positive correlation between the variables, with a correlation coefficient (r) of 0.616 and a significance level (p) less than 0.01.
- There is a clear correlation between comprehensive training and development programs and enhanced employee performance. Allocating resources to the ongoing enhancement of employees' skills and knowledge yields improved performance outcomes. The data shows a strong positive correlation with a correlation coefficient (r) of 0.581 and a significance level (p) less than 0.01.
- Competitive remuneration and benefits packages have a modestly positive impact on employee performance. Equitable and appealing remuneration, in addition to perks, plays a crucial role in incentivizing employees and enhancing their productivity. The data shows a moderate positive correlation with a correlation coefficient (r) of 0.405 and a significance level (p) less than 0.01.
- Encouraging a moderate work-life balance enhances employee performance. Strategies that promote a harmonious equilibrium between work and personal life aid in mitigating burnout and improving overall job contentment, thus enhancing performance. The data shows a moderate positive correlation with a correlation coefficient (r) of 0.318 and a significance level (p) of less than 0.01.
- Compared to other strategies, career development opportunities have a relatively less pronounced positive impact on employee performance. Although crucial for long-term satisfaction and retention, their immediate impact on performance is less significant. The data shows a weak positive correlation with a correlation coefficient (r) of 0.221 and a significance level (p) less than 0.01.

- Health and safety measures exhibit a less strong positive link with employee performance. While it is crucial to maintain a secure and conducive work environment, its direct
- Influence on performance is rather limited. The data shows a weak positive correlation with a correlation coefficient ( $r$ ) of 0.221 and a significance level ( $p$ ) less than 0.01.
- The fields of recruitment and selection, as well as training and development strategies, are recognized as having a significant impact. By prioritizing these areas, substantial enhancements in employee performance can be achieved.
- Compensation and benefits, as well as work-life balance strategies, have a moderate influence on performance. These areas are crucial for preserving employee happiness and motivation.
- Although career development and health and safety measures are crucial for the overall well-being and long-term satisfaction of employees, their immediate effect on boosting performance is very low.

## RECOMMENDATIONS

Based on the findings, the following recommendations are made for retail organizations aiming to enhance employee performance and satisfaction:

- Implement comprehensive and strategic recruitment procedures to guarantee that the individual is the appropriate match for the position, thereby augmenting performance.
- Offer continuous professional development and training opportunities to improve the performance outcomes of employees by enhancing their skills and knowledge.
- Guarantee that compensation and benefits packages are equitable and competitive, as this will substantially enhance job satisfaction and moderately improve performance.
- Establish policies and procedures that promote a healthy work-life balance in order to moderately enhance performance and mitigate fatigue.
- Although career development has a less immediate impact, providing clear career paths and development opportunities can enhance long-term satisfaction and retention.
- Despite their modest direct impact on performance, it is crucial to implement comprehensive health and safety measures, as they contribute to the well-being of employees.
- Retail organizations can improve operational outcomes and overall success by prioritizing these areas, which in turn enhances employee performance and satisfaction.

## CONCLUSION

In the retail industry, human resource management is critical to improving employee satisfaction and productivity. Effective HRM strategies, including as training and development, performance management, and remuneration, are critical for building a motivated and high-performing team. Retailers that value their employees' well-being and development are more likely to create positive business results and a competitive advantage. In the retail sector, HRM is essential for improving employee satisfaction and performance. Retail organizations can

establish a supportive and motivating work environment that not only enhances employee morale but also contributes to business success by implementing effective HRM practices. The objective of this literature review is to investigate the diverse HRM strategies that contribute to these outcomes by utilizing empirical evidence and theoretical frameworks from the retail industry. Empirical research has demonstrated that retail organizations that prioritize strategic HRM practices achieve superior business results. For instance, Walmart's emphasis on employee training and performance-based incentives has been associated with enhanced performance metrics and increased employee satisfaction. In the same vein, Starbucks' prioritization of employee development and well-being has yielded a workforce that is highly motivated and provides extraordinary customer service.

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