

# Quality of Work Life and the Retail Industries

Anupama Verma

*Assistant Professor, Dept. of Commerce and Business Management, Usha Martin University, Ranchi, India*

**Abstract:** The main objective of this research paper is to identify the significance of work environment towards the employee performance and also to study the impact of quality of work life on the effectiveness of the retail organization. Retail industry in India is undoubtedly one of the fastest growing retail industries in the world. It is the largest among all other industries accounting for 10 per cent of the country GDP and employs around 8 per cent of the workforce. India has seen a drastic revolution in the buying behavior of customers. The retail industries are facing immense challenges from the dynamic business environment as well as due to deficit in human resource. Challenge of holding back of quality workforce in the organization has forced the management to think of new ways. It has been observed that Quality of work life is one of the major factors which help determine employee's attitudes towards its organization. The quality of work life is not a single factor but comprises of multiple and complex factors which guides the behavior pattern of employees. This research paper serves as the theoretical framework for developing the concept and to identify the factors of Quality of Work Life in retail industry. It helps contribute towards the significance and effectiveness of QWL on employee job satisfaction and its impact on organizational performance.

**Keywords:** Employee performance, employee satisfaction, Quality of work life, Work environment.

## 1. Introduction

In today's competitive world, the external and internal dynamic forces of businesses have made organizations revolve around its two pillars. These two pillars of the organization are its employees and the customers. The employees being the core elements are considered as internal customers whereas the customers are external to the firm. No organization exists without their employees; however, the objective of organizations existence is to serve the customers' needs. Thus there is a strong relationship between the internal and external customers of the organization i.e. employees and customers. Actually, it is the employees of the organization who fulfill the customer's satisfaction. However, behind the success of any organization lies the employee's team effort and dedicated service towards the organizational customers. So, it is obvious that if employees are satisfied then in return it will give satisfied customers. This leads to giving priority to customer's service by many of the organizations. But this approach fails as the organizations are not able to satisfy their employees who are their primary and internal customers. To keep the employees satisfied, the organizations are required to be more flexible with them so that they can be developed into a committed workforce.

Therefore, it has become a requirement for the firms to adopt a strategy to take care of the employee's quality of work life which will satisfy both the individual employee objective as well as organizational objective. This organizational approach to create a workplace that enhances the satisfaction level of the employees while taking care of their well being is termed as Quality of Work Life. This paper has tried to study quality of work life in reference with employees in retail industries of India. For this paper, top ten retail industries of India have been taken for study. As, the retail industry is one of the top hiring sectors, so it becomes necessary to maintain the quality of the work life of the employees to reduce absents and turnover.

## 2. Quality of work life

Individuals join organizations to fulfill their economic, social and psychological needs by participating in the workplace and achieving individual as well as the organizational goals. Individual employees adhere to the given position with the organization and perform roles assigned to them in their capacity to fulfill organizational goals. There are number of factors in the organizations which affect the personal as well as professional life of the employees directly and indirectly. It includes factors like income, compensation, promotion policies, training and development, health benefits, job security, work environment etc. These factors of the work place affect the employees working conditions and if given more care, can maintain loyal employees with high level of job satisfaction, motivated and with a feeling of belongingness towards the organization. These factors are broadly termed as Quality of work life which covers the overall quality of an individual's working life.

Quality of work life is generally associated with the conditions that enhance employee well-being and satisfaction. This helps reduce employee's absenteeism and turnover resulting increased organizational efficiency. Today's dynamic work conditions and the inflated employee perception about the organizational HR practices have resulted into elevated employees' grievances and dissatisfaction. QWL is becoming more popular these days to improve the working conditions of employees in modern organizations. This term though new, its roots can be traced back to Principles of Scientific Management propounded by F. W. Taylors. Ever since, emphasis was given on employee's satisfaction, better working environment, quality of relationship with peers and supervisors etc. which help, enhance working efficiency.

The term Quality of Work Life was first coined by Davis & Churns in 1975 at a conference on “Democratization of Work” held at Columbia Universities’ Arden House. This conference was organized to discuss two important movements taking place in two different continents con-temporarily. The first event was in Western Europe called “Industrial democracy” whereas the second was in U.S. about ‘Humanizing the workplace’.

Motivation theory or the Need Hierarchy theory of Maslow in 1954, explained the gradual increase in demands of needs with increasing levels of satisfaction. The needs of the people were based on their physical needs, safety needs, esteem and need of self actualization. When a need at a lower level in the need hierarchy of an individual is satisfied, one moves up to the next level. According to Maslow, these different levels of need are the motivating factors for the employees which they seek satisfaction for. In the later years, Herzberg in 1968 explained how the Hygiene factors and Motivating factors have influence on the employee performance at the work place. Factors like working condition, company policy, salary, benefits, job security, supervision of seniors and interpersonal relationships, etc contribute to the hygiene factors and motivating factors. It has been observed that presence of favorable hygiene factors cannot keep employees satisfied for long but absence of these would make employees dissatisfied leading to decreased employee performance. The concept, Quality of Work Life has witnessed considerable change with the passage of time. Starting with factors like culture, climate and learning. These theories of the researchers of early twentieth century were actually revolving around the factors responsible in contributing to the quality work life of an employee. In recent years with the growing awareness among the employees about their right, increase in education level, association of employees, changing HR perspective, are few of the reasons for the growing importance of QWL. The QWL encompasses all the factors that are experienced by an individual at the work place.

### 3. Definition

The term “Quality of Work Life” has been defined by many scholars from time to time giving it a new dimension every time. Harrison (1980) defines it as “QWL is the degree to which all members of the organization contribute to material and psychological well-being of its members”.

Another definition given by Nadler and Lawler in 1983 states that “QWL is a way of thinking about people, work and organizations, its distinctive elements are (i) a concern about the impact of work on people as well as on organizational effectiveness, and (ii) the idea of participation in organizational problem-solving and decision making.” According to Luthans “The overriding purpose of QWL is to change the climate at work so that the human-technological-organizational interface leads to a better quality of work life.”

Walton in 1973 defines the QWL as a process by which an

organization responds to employees needs for developing mechanisms to allow them to share fully in making the decisions that design their lives at work.

Richard and Leoyd define QWL as “the degree to which members of a work organization are able to satisfy important personal needs through their experience in the organization”.

Another definition by J. Richard and J. Loy, “QWL is the degree to which members of a work organization are able to satisfy important personal needs through their experiences in the organization”. In 1979, a task force set by the American Society for Training and Development [ASTD] defined QWL “a process of work organization which enables its members at all levels of to actively participate in shaping the organization’s environments, methods and outcomes”.

Quality of work life is a continuous process with the dual goal of enhancing organizational effectiveness as well as employee’s satisfaction at job. It helps employees develop belongingness towards its employer when they feel contented and secured from their job.

Richard E. Walton from Harvard University has significant contribution to the study of QWL. According to him a job has to fulfill eight different conditions to make the work life desirable for the employees.

- The eight conditions mentioned by Walton are:
- Adequate and fair compensation.
- Safe and healthy working condition.
- Opportunity to use and develop human capacities.
- Future Opportunity for career growth and security.
- Social integration in the work force.
- Constitutionalism in the work organization.
- Work and quality of life
- Special relevance of work.

There was a list prepared by the International Labour Office which covered the areas of QWL. They are as follows:

- Hours of work and arrangements of working time.
- Work organization and job content.
- Impact of new technologies on working conditions.
- Working conditions of women, young workers, older workers and other special categories.
- Work-related welfare services and facilities.
- Shop floor participation in the improvement of working conditions.

### 4. Retail industry in India

One has to work to earn to meet his and his family's physiological, social and emotional needs. No one can escape this cycle but they do join different organization in their own capacity to achieve their goals. There are different forms of organization, serving society and individual mutually benefiting all. These organizations are groups or structures set up with the objective of achieving certain predetermined goals. In today’s’ business environment organizations are set up to fulfill its objectives unique in itself in addition to the obligation

of the society in which they operate. Each individual organization can be identified from the other on the basis of their corporate mission and vision. Some organizations exist as profit making enterprises, whereas others are non profit making organizations or NGOs. Profit making organization may be owned by individuals or group with operations based in multiple sectors including fashion, technology, food and retail.

In India, retail industry has taken a big leap and emerged as one of the most dynamic and fast-paced industries. It accounts for over 10% of the country's Gross Domestic Product (GDP) and around 8% of the employment. Retail sector in India is divided into Organized and Unorganized groups which constitutes licensed retailers and small unlicensed retailers respectively. The Organized retailers include large hypermarkets, large-scale retail ventures owned privately or the retail chains as well. This was made possible only after the entry of several small players in last few decades. However, the unorganized retailing comprises of small retailers operating their own stores in traditional way. India being a developing country, the unorganized and traditional retailing has a dominant share in the retail market. However, a shift has been observed from the traditional retail to organized retail owing to number of factors. Growing consumer expectations, youth population, shift in demographic mix, nuclear family structure, higher disposable income, brand consciousness, borderless open market have created demand for retail industry in India. In 2011, the Indian Government also opened doors for the FDI, creating conducive regulatory environment for the sector. Since then, entry of many big private players has boosted to this sector. This sector is now expected to double in size over the next three years.

Today, the retail sector accounts for about 22% of India's GDP. According to a recent KPMG report on Indian retail, the overall size of the industry is estimated to be \$534 billion in 2013-14 with a CAGR of 15% over last five years. Going forward, the overall retail sector growth is likely to witness a CAGR of 12-13 %, which would be worth \$948 billion in 2018-19.

According to a report, it is expected that Indian retail sector will be requiring approximately 56 million young work-forces by 2022 for this booming sector. Opportunities will be offered in sales, marketing, logistics, merchandising, stores management, procurement, etc. This is going to be one of the highest requirements in human resource estimating to 17.35 million by 2022.

These digits indicating the huge work force requirement in retail industry has now forced the organizations and the employers to give priority to the individual engaged in this retail industry.

### 5. Major players in retail industry in India

In India the retail industry is one of the fastest growing sectors of the world. In India it is expected to grow 2020 from US\$ 672 billion to US\$ 1,100 trillion by 2017. Since India's

retail sector is growing exponentially, it is predicted to be the fifth largest preferred retail destination globally. The overall retail market in India 2018 stood at Rs 43,251 billion and is forecast to grow by 6.4 percent CAGR in 2018-2023.

The Indian retailing is one of the highest in the world in terms of per capita retail store availability. The boom in retail industry is due to the penetration and expansion of organized retailing in Tier-II and Tier –III cities from the metros and major towns. The factors driving growth of retail in India are changing consumer preferences, customer's awareness and brand consciousness, urbanization of rural population, increasing spending capacity of the population etc.

Today, leaders in retail industry are those who have adopted themselves to the changing consumer demands. However, the introduction of E-commerce, is posing new challenges to the brick and mortar business but the leaders are utilizing their physical space in developing direct connection with their customers and knowing their preferences.

In India there are many players in organized retail industry from the country which have been further joined by multinationals after industrialization and globalization which has opened wider avenues for the Indian retail to grow. The retail companies are focusing on untapped market of Tier II and Tier III cities for its further market expansion.

Aditya Birla Fashion & Retail Ltd (Pantaloons): Pantaloon Retail (India) Limited, founded in 1997 is a large Indian retailer. It is part of the Future Group, launched in Garihat, Kolkata is now headquartered in Mumbai. It operates in multiple retail formats catering to both the value and lifestyle segment of the Indian consumer. The company's network had 2,465 brand stores operational which include 275 Pantaloons stores, 4,982 multi-brand outlets (MBOs) and nearly 4,054 point of sale in department stores across the country. It has 5300 employees on payroll as on March 31, 2019. Now it has been taken over by Aditya Birla Nuvo Limited (ABNL).

Reliance Retail Ltd: Reliance Retail Ltd was founded in the year 2006. Headquartered in Nariman Point, Mumbai is one of the top retail companies of the country. The retail outlets have a wide range of products to suit the choice of diverse customers. Reliance Retail operates 10,415 stores across 6,600+ cities with a retail area of over 22 million sft with more than 88,000 employees across 750 cities. The annual revenue of Reliance Retail was estimated to be more than \$7 billion. Future Group: Future Group is another of the top retail companies in the country. It was incorporated in 1987 by Kishore Biyani with its headquarter at Mumbai. Initially it was in the name of Manz Wear. This top retail companies in India employs over 35,000 professionals across the country. The other upcoming retail brands Future Retail, E Zone, Big Bazaar, Food Bazaar, Nilgiris 1905, HyperCity, Central, and Brand Factory. This one of the top retail companies in India was estimated to have an annual revenue of worth around \$2.5 billion Shoppers Stop Ltd: Shoppers Stop Ltd is Indian Retail Company founded in the year 1991 by K Raheja Group with its headquarter in Mumbai,

India. It is top apparel Retail Company with product ranging from clothing, accessories, fragrances, health and beauty products, footwear, jewelry, cosmetics, home furnishing and decor products. Currently, it has expanded to a network of 82 departmental stores covering 38 cities and employing more than 15,000 retail professionals across the country. This retail companies in India has annual revenue of more \$400 million. The upcoming retail brands owned by Shoppers Stop are HomeStop, Mothercare, Crossword, and Life.

**Avenue Supermarts Ltd (D-Mart):** Avenue Supermarts Ltd, also known as D-Mart, was founded in the year 2002 at Mumbai by Radhakishan Damani. At present the company is having more than 170 stores across India and annual revenue of approximately \$1.9 billion in 2017. The upcoming retail brands owned by Avenue Supermarts Ltd are D Mart, D Mart Minimax, D Mart Premia, D Homes, and Dutch Harbour.

**Titan Company:** Titan Company, started retailing as a joint venture with the Tata Group and Tamil Nadu Industrial Development Corporation (TIDCO) in 1984 at Bangalore, India. The major retail brands owned retail companies in India are Titan Time, Fastrack, Skinn, Tanishq, Titan Eyeplus, and Sonata. This one of the top 10 retail companies in India has an annual turnover of almost \$2 billion with a net income of \$120 million with more than 1000 departmental stores and nearly 7,500 employees.

**The Raymond Group:** The Raymond Group as one of the oldest and top retail companies in India founded in 1944 by Vijaypat Singhania and is part of the JK Group of companies. Its own upcoming retail brands in India are Parx, Park Avenue, Raymond, Kama Sutra, Manzoni, and Color Plus. This retail companies have over 700 departmental stores in India which spread across 200 cities. It has more than 7,000 personnel employed in its organization making an annual turnover of around \$3 billion.

**Godrej Consumer Products Limited:** Godrej is another top Indian retail companies established in 2001 by Adi Godrej at Mumbai. It has an annual turnover of almost \$38 billion with more than 1,200 employees working over 120 departmental stores in India. The leading and upcoming brands owned by Godrej are Nature's Basket, Good Knight, B Blunt, Godrej Aer, and Cinthol.

**Trent (Westside):** Trent as a part of TATA Group was founded in 1998, and headquartered at Mumbai. Brands owned by Trent are Westside, Star Bazaar, Landmark and JV along with top retail companies in the world like Tesco, Zara, and Lakeland. This retail companies estimated to have annual revenue of worth around \$2.5 billion and has more than 25,000 employees working in 90 stores spread across 60 cities.

**Mart Retail Ltd:** This retail industry was founded in the year 200, headquartered in Gurugram. The company operates around 220 stores in 174 cities across 17 states. It offers products across three verticals, which include apparel, general merchandise and grocery.

**Provogue:** This top retail company was founded in 1997 at

Mumbai, India. This leading Indian retail company has many upcoming retail brands in India for apparel, eyewear, accessories, and watches. It has around 50 departmental stores, employing around 500 professionals across the country.

## 6. Future of retailing in India

Retail industries in India are thriving from past few years owing to the changes in the business world. However, growth of retail industry is solely dependent on the quality of service provided by its employees to the customers. It also requires huge number of workforce to cater to the demands of the ever growing customers.

As the urban retailing is getting saturated, the retailers are gradually moving towards semi-urban colonies to push their products. With the rising maturity of retailing in metros/urban areas, retailers have slowly started to focus on the semi-urban consumer base. This has resulted in the slow and steady urbanization of shopping styles among semi-urban consumers. This is having dual benefit for the retailers: untapped consumers and fresh supply of workforce. It also saves them from high cost of space in urban areas.

The retail industry has three basic elements: products, employees, space. Employees being the human factor needs lots of consideration as this industry is also facing high turnover rate and attrition rate world wide as compared to any other industry. There is wide range of factors which affects the turnover rate of employees in retail. These can be age of employees, education, position, job satisfaction, health benefits, rewards and recognition, training and future growth, and many more. These factors are those which make the quality of work life better for any individual at its workplace.

Several researches on workforce and retail industries, shows that turnover is an issue in this industry, and they have pinpointed specific issues that have aggravated the problem. High turnover disrupts the quality of service, makes operations expensive thus having a negative impact on workplace morale.

## 7. Quality work life at retail

The QWL aims to increase individual productivity, accountability and commitment towards its work, it helps increase morale of the employee, while building belongingness towards organization. QWL improves the relationship between the workers making working environment very healthy and develops participation of individuals at all levels. These programs help reduce gender inequality at the workplace, creating better competitive environment for all.

The reaction of employees towards its work is basically due to its own personality, nature or demand of the job and lastly by the facilities offered at the workplace by the organization i.e. quality of work life. Retail Industry being service industry is sensitive to employee's reaction towards its work. However, controlling the first two components is out of capacity of HR, focus is made on improving on working conditions to hold good employees in the organization.

As the demand for quality employees increasing, improved Quality of Work Life is also becoming prerequisite for all organization to counter factors like resource deficiency. Quality of Work Life initiatives is becoming important in retail industries for the following reasons:

- Improve salary and job security,
- Help develop healthy environment,
- Reduce work stress,
- Justified distribution of resource,
- Proper reward and promotion policy,
- Reduces grievances,
- Flexible working time
- Active Participation of employees in work,
- Proper promotion policies,
- Develop co-operation and
- Team work among employees,
- Increased quality of service.

### 8. Conclusion

Improvements in quality of work life are brought about at every level of an organization to increase the efficiency of the employees and the organization. This is achieved by unleashing the creative potential of the employees and eventually achieving simultaneous goals of both employees and the organization. Organizations have realized their responsibility to develop healthy working conditions for its employees and try to create favorable environments for the employees' creative growth. Although identification of factors for betterment of QWL is a difficult task, there are physical and structural factors

that can help form policies for betterment of QWL which will positively affect the work life of employees and could lead to job satisfaction ultimately resulting in effective and efficient performance.

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