HR Issues in Retail

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Factors in Planning and Assessing a Retail Organization

- Target market needs
- Employee needs
- Management needs

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Planning and Assessing a Retail Organization

- **Target Market Needs**
  - Are there sucient personnel to provide appropriate customer service?
  - Are personnel knowledgeable and courteous?
  - Are store facilities well maintained?
  - Are the specific needs of branch store customers met?
  - Are changing needs promptly addressed?

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Planning and Assessing a Retail Organization

- **Employee Needs**
  - Are positions challenging and satisfying enough?
  - Is there an orderly promotion program from within?
  - Is the employee able to participate in the decision making?
  - Are the channels of communication clear and open?
  - Is the authority-responsibility relationship clear?
  - Is each employee treated fairly?
  - Is good performance rewarded?

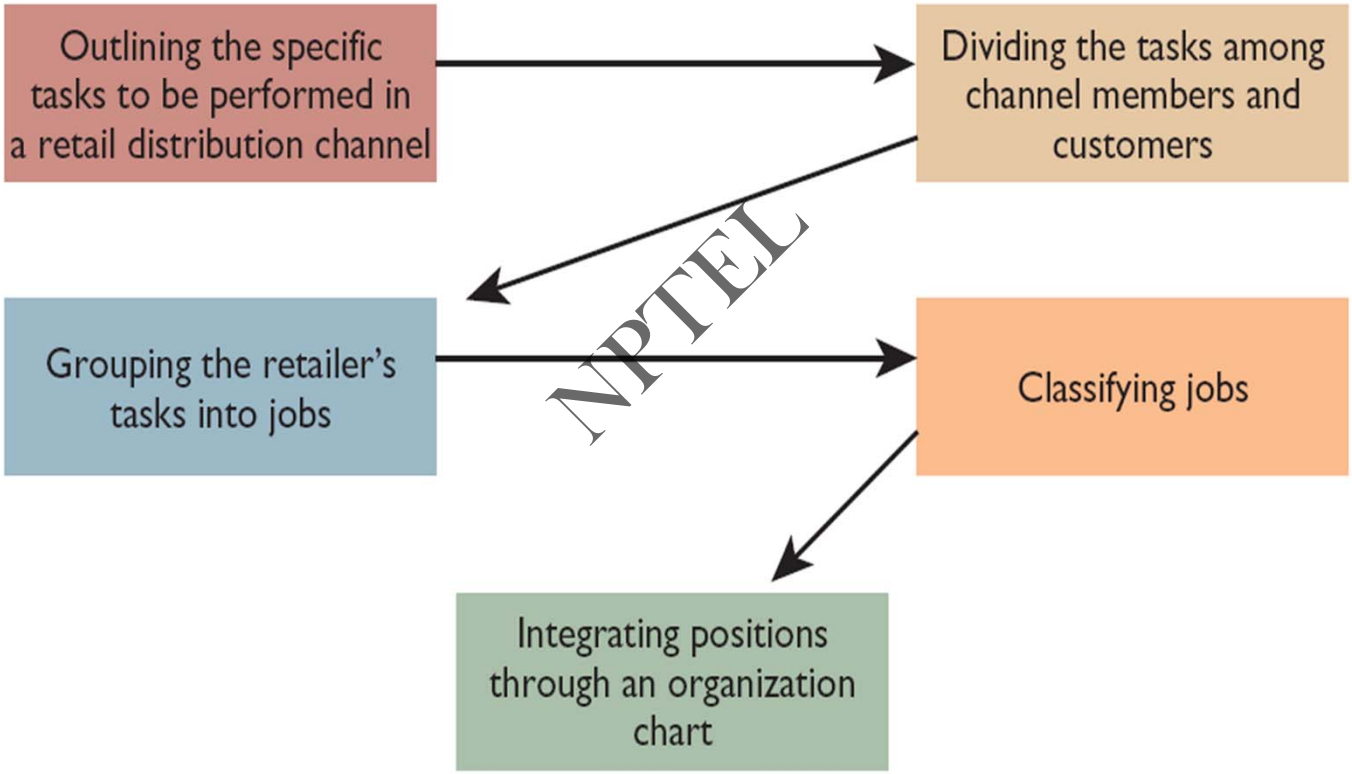
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Planning and Assessing a Retail Organization – Management Needs

- **Management Needs**
  - Is it relatively easy to obtain and retain competent personnel?
  - Are personnel procedures clearly defined?
  - Does each worker report to only one supervisor?
  - Can each manager properly supervise all the workers reporting to him or her?
  - Do operating departments have adequate staff support (e.g., marketing research)?
  - Are the levels of organization properly developed?
  - Are the organization's plans well integrated?
  - Are employees motivated?
  - Is absenteeism low?
  - Is there a system to replace personnel in an orderly manner?
  - Is there enough flexibility to adapt to changes in customers or the environment?

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The Process of Organizing a Retail Firm



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Division of Tasks in a Distribution Channel

Performer	Tasks
Retailer	Can perform all or some of the tasks in the distribution channel, from buying merchandise to coordination.
Manufacturer or Wholesaler	Can take care of few or many functions, such as shipping, marking merchandise, inventory storage, displays, research, etc.
Specialist(s)	Can undertake a particular task: buying oce, delivery firm, warehouse, marketing research firm, ad agency, accountant, credit bureau, computer service firm.
Consumer	Can be responsible for delivery, credit (cash purchases), sales effort (self-service), product alterations (do-it-yourselfers), etc.

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Grouping Tasks into Jobs

Tasks	Jobs
Displaying merchandise, customer contact, gift wrapping, customer follow-up	Sales personnel
Entering transaction data, handling cash and credit purchases, gift wrapping	Cashier(s)
Receiving merchandise, checking incoming shipments, marking merchandise, inventory storage and control, returning merchandise to vendors	Inventory personnel
Window dressing, interior display setups, use of mobile displays	Display personnel
Billing customers, credit operations, customer research	Credit personnel
Merchandise repairs and alterations, resolution of complaints, customer research	Customer service personnel
Cleaning store, replacing old fixtures	Janitorial personnel
Employee management, sales forecasting, budgeting, pricing, coordinating tasks	Management personnel

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A Job Description for a Store Manager

JOB TITLE: Store Manager for 34th Street Branch of Pombo's Department Stores

POSITION REPORTS TO: Senior Vice-President

POSITIONS REPORTING TO STORE MANAGER: All personnel in the 34th Street store

OBJECTIVES: To properly staff and operate the 34th Street store

DUTIES AND RESPONSIBILITIES:

- Sales forecasting and budgeting
- Personnel recruitment, selection, training, motivation, and evaluation
- Merchandise display, inventory management, and merchandise reorders
- Transferring merchandise among stores
- Handling store receipts, preparing bank transactions, opening and closing store
- Reviewing customer complaints
- Reviewing computer data forms
- Semiannual review of overall operations and reports for top management

COMMITTEES AND MEETINGS:

- Attendance at monthly meetings with Senior Vice-President
- Supervision of weekly meetings with department managers

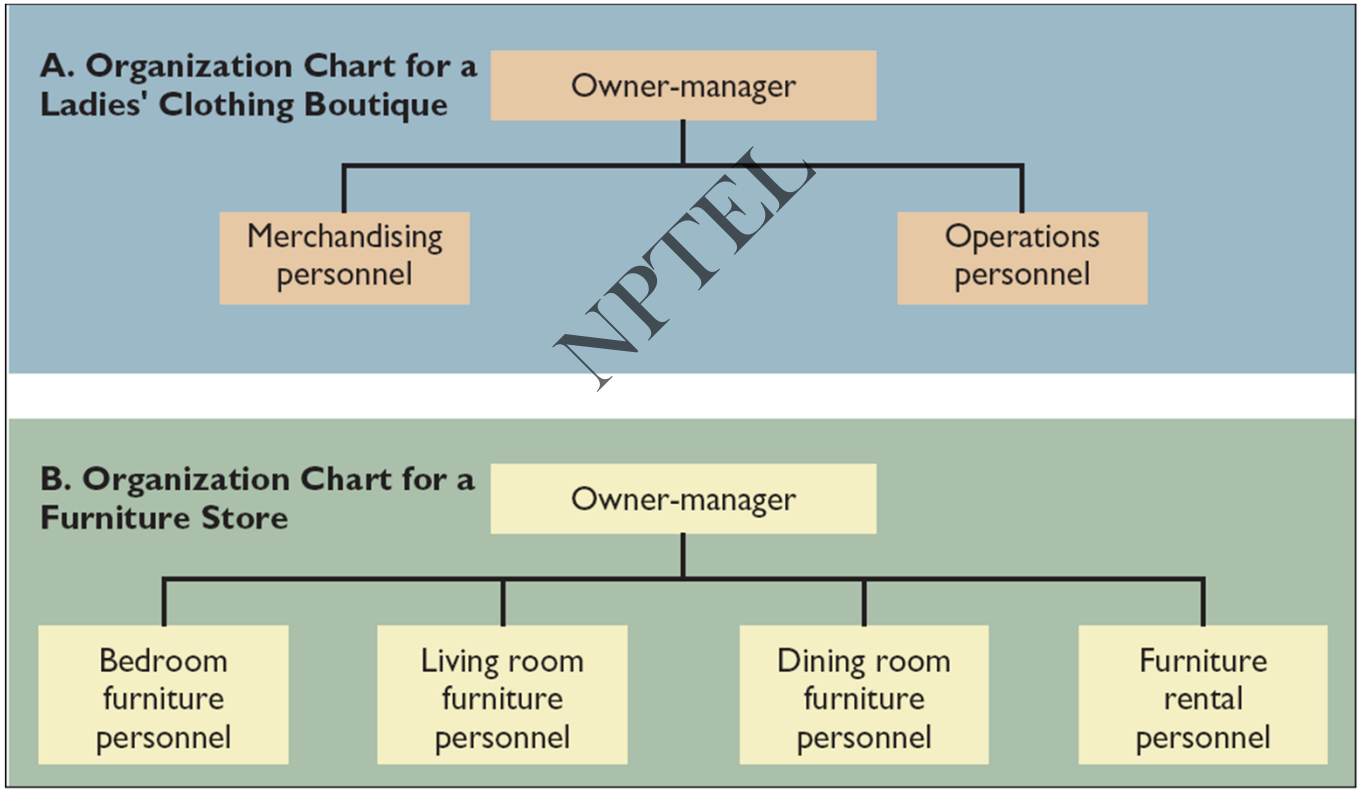
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Principles for Organizing a Retail Firm

- Show interest in employees
- Monitor employee turnover, lateness, and absenteeism
- Trace line of authority from top to bottom
- Limit span of control
- Empower employees
- Delegate authority while maintaining responsibility
- Acknowledge need for coordination and communication
- Recognize the power of informal relationships

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Organization Structures Used by Small Independents



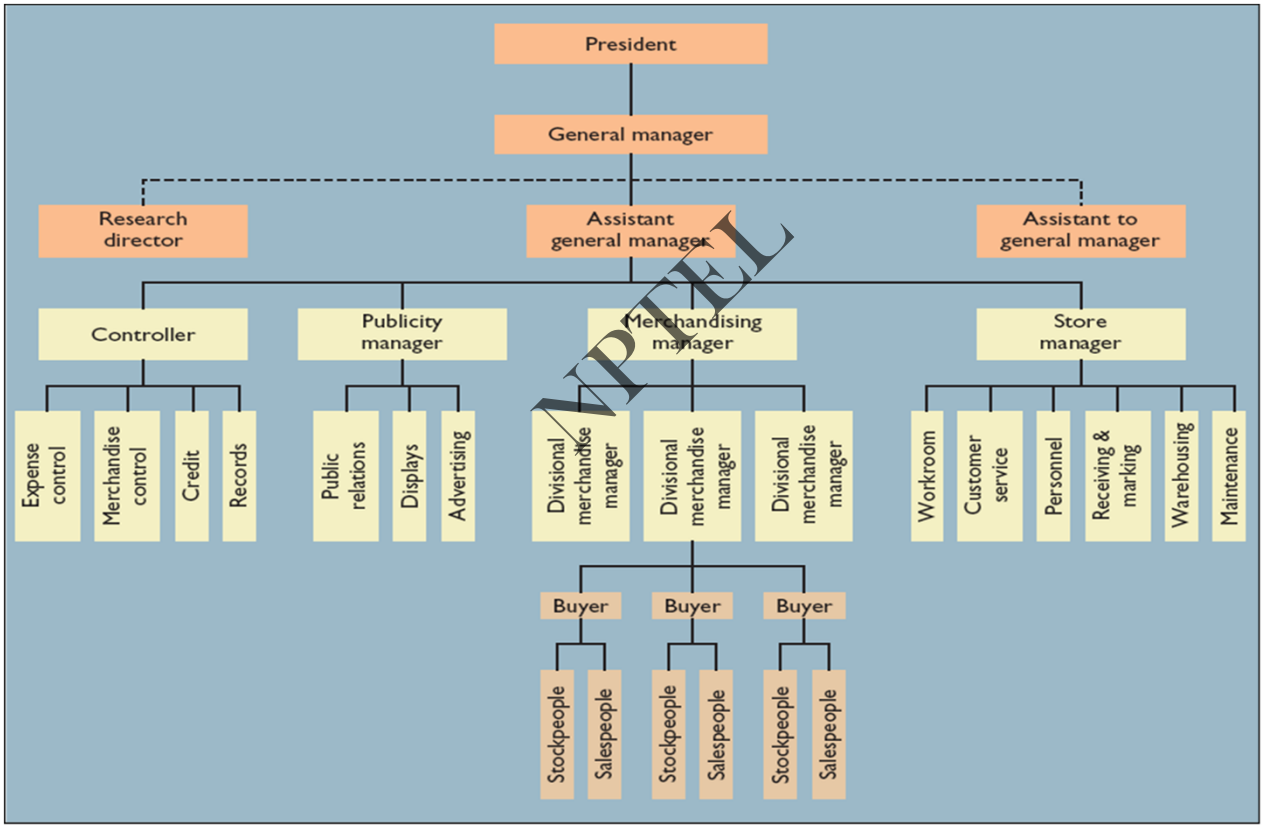
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Mazur Plan

- Merchandising—buying/selling, stock planning,
- Publicity—displays, event planning, advertising research
- Store management—customer service, merchandise protection, receiving
- Accounting and control—credit, expense budgeting, inventory management

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The Basic Mazur Organization Plan for Department Stores



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Chain Retailer Organizations

- Centralized functional divisions– real estate, distribution, human resources (top management)
- Elaborate information system and management controls
- Centralization of much of buying with room to adapt to local markets

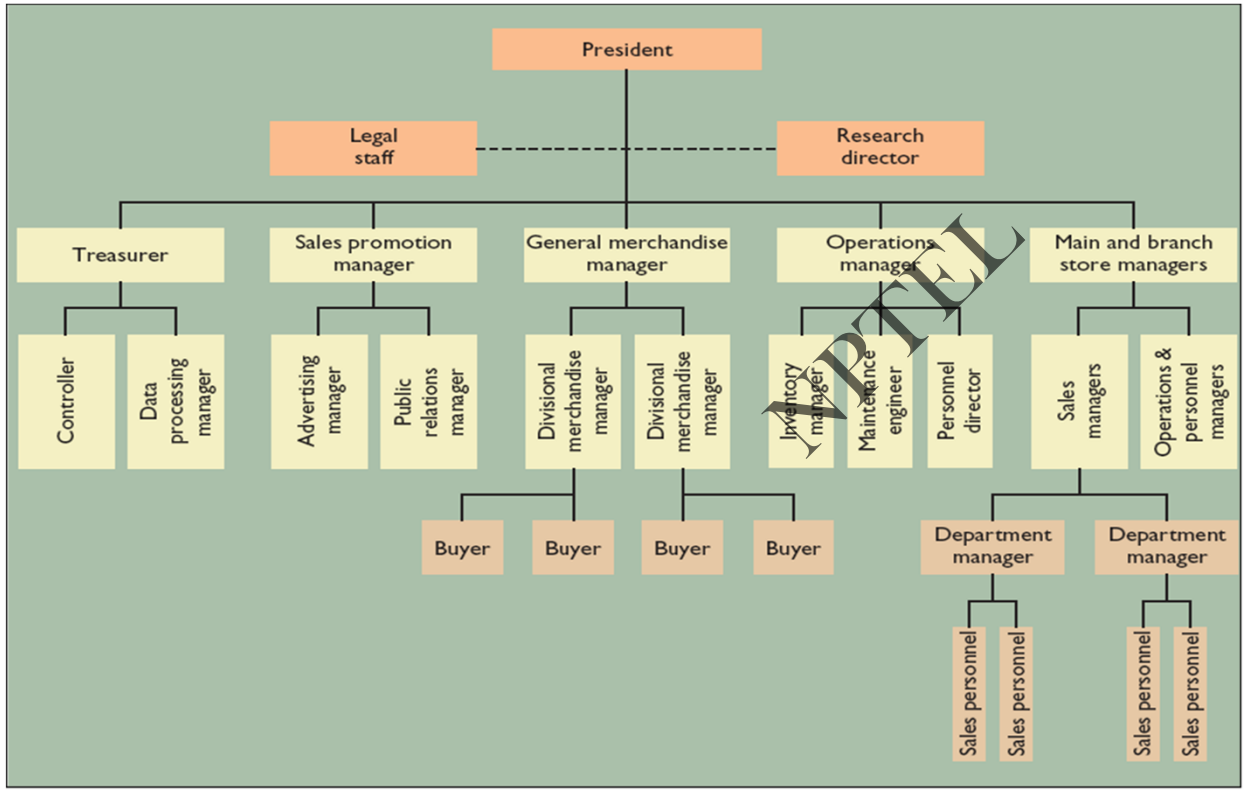
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Department Store Organization Formats

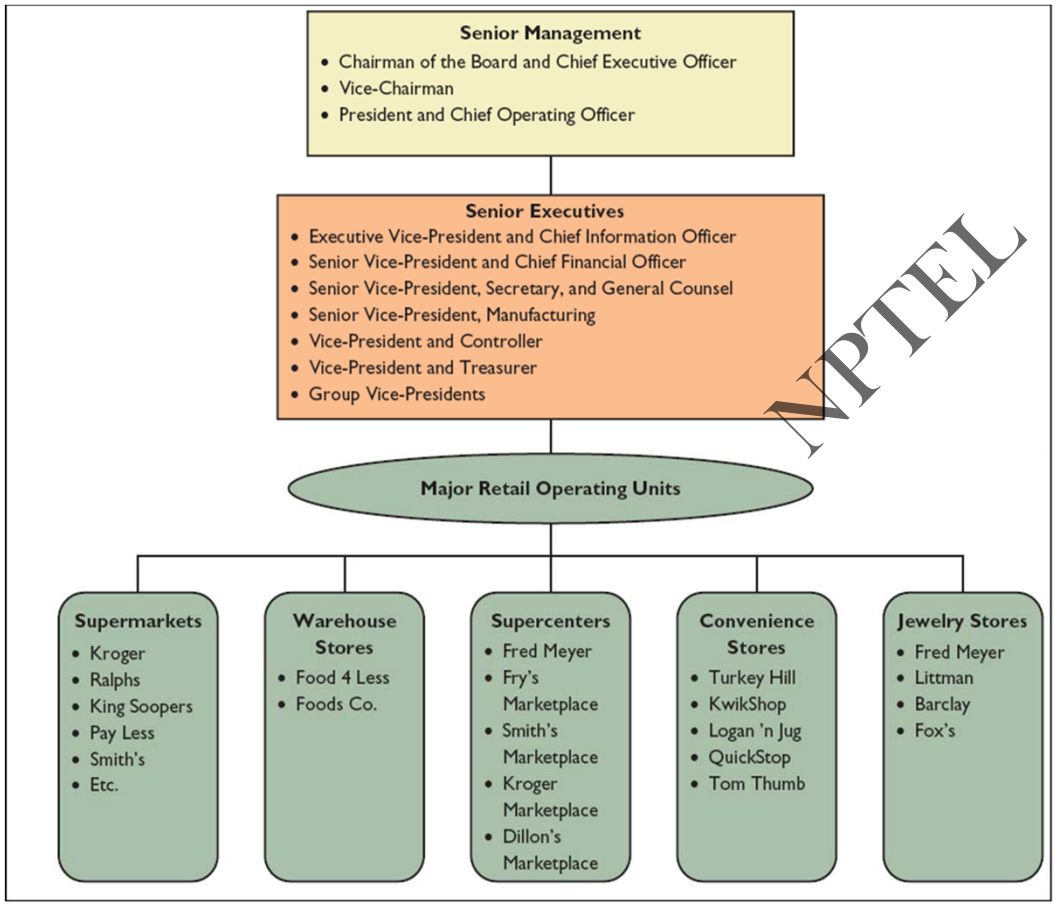
- Main store control– flagship executives oversee store units. Extreme centralization
- Separate store organization—each store buys for itself and maintains sales responsibility
- Equal store organization– buying is centralized; branch stores are sales units

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Equal-Store Organizational Format Used by Chain Stores



The Organizational Structure of Kroger



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Thank You

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