

**BRIDGING THE SKILL GAP OF ORGANIZED RETAIL SECTOR IN INDIA****Mr. Dinesh Tandon,***Assistant Professor, Department of Commerce, A S college, Khanna***ABSTRACT**

*Skill and knowledge are key drivers of macroeconomic growth and socio economic stability. Appropriate policy framework for skill development occupies a dominant place in the development of economy. Because of the abundance of the human capital there is a great possibility for India to establish its distinct identity in global environment. Increased competition in job market has accentuated the need of skill development. As India is transforming itself into knowledge economy skills are imperative for the same. For India, it is critical to accommodate evolving growth/ trends to be responsive to the constantly changing dynamics of the economy. To make growth trajectory more inclusive, special emphasis should be given on prioritizing skill, training and developing appropriate skill sets among human resource. Skills and education will enhance the employability of the learner. With the acquired knowledge, workers will contribute toward productivity to determine India's competitive edge at global level. Skills are very much required, especially in the service sector and that too both soft as well as hard skills. The present study is a contribution towards skill India effort and is revolving around finding skill gaps and strategies to fill those gaps in the retailing industry.*

**Introduction**

Indian retail industry is growing with leaps and bounds at a tremendous pace fuelled by high growth rate predicted by recent economic survey. The growth figures are pegged to be around 7% to 8% for the fiscal 2016-17. Indian retail market is the most attractive and emerging market in the world. Many sectors and consumption categories forms the part of India retail market. The popular sector of Indian retail market are clothing, textile, consumer durables, mobiles & accessories, consumer durables, entertainment, books, gifts, jewellery, furniture etc. According to the latest CRISIL Opinion report (Srinivasan, Dani & Hardikar, 2012), organized retail is one of the most conducive sector because of high demand outlook, for the growth of skill development.

According to a report by NSDC on retail sector, the organized retail in only 5% of the total retail market in India. That conveys 95% of the market is not professionally managed and competently tapped. The size of Indian retail market at present is about 5800cr and is expected to reach a level of 17368cr by the end of 2022. According to Global Talent Risk report (2011) huge skill gaps will be faced by developing countries like India and Brazil. There is a wide gap between the skills required in industry and those provided by the education system. The daunting task of National skill development mission of skilling 50cr youth by 2022 seems unachievable at present. From the above quoted figures it can be forecasted the ample scope and potential this sector is holding. It can be one of the chapters of India growth story to be witnessed in coming decades.

Presently Indian retail industry is growing at an impressive rate of 9%-10%, one of the highest as compared with other industries. 40 million people are working in the retail sector and a fraction of that is working in organized sector. Near about 39.5 million people are working in unorganized sector. The numbers of supermarkets have increased from 600 in 2006 to 8500 in 2016.

According to IMaCS analysis the retail sector provide employment to near about 35 million people among which 0.3 million people get employment in organized retail. The retail industry is one of the sectors which provide employment to 95% people from graduation level. The retail opportunities are higher in tier-I and tier-II cities. During the last decade trend has been witnessed that many large international retail investors are investing in emerging economies and selecting them as their investment destinations. A recent study by the Center for Emerging Markets Solutions at the Indian School of Business (Mehta, Chakraborty & Thomas, 2012) revealed the influence played by social networks in recruitment, which may in turn lead to homogeneity in the workforce. The study also recommends seeing skill gap requirement from different perspectives, so that we can understand the reasons for the gap between industry demand and labour supply.

India is having the youngest population in the world whereas the population is ageing in other parts of world. But 75% of the population in India is unskilled. In India demographic profile and economic liberation is quite convincing and offering a complete packaged opportunity to many investors. Government's recent decision to allow FDI in this sector is a quite encouraging and is going to open new vistas for Indian masses (Sengupta 2012). In India market opportunities in rural infrastructure, rural retailing, private labels etc are witness to that. The demand function such as growing youth segment and working women population, rising income, brand consciousness and supply factor like

research and development, conducive regulatory framework, expansion of credit, real estate infrastructure are working as a catalyst for the retail industry.

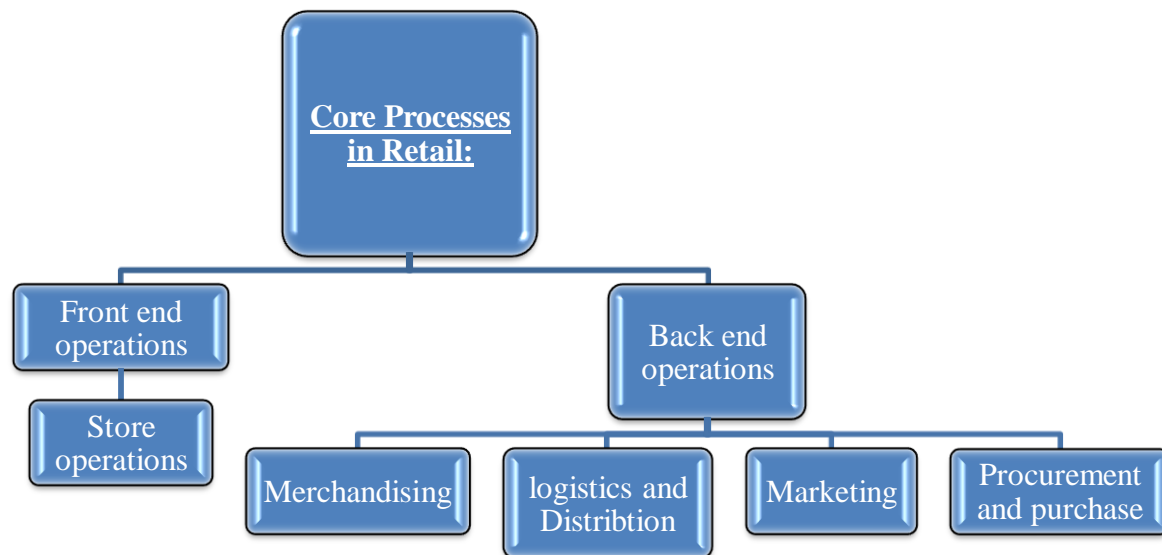
### **Aims and Objectives of the study**

The primary objective of this study is to provide a clear understanding of the fundamental reasons behind the existence of this skill gap despite a vibrant and abundant young population, and hence provide clear recommendations to companies and training institutes about opportunities in bridging the gap in the organized retail sector. The main objectives of this research paper are:

- To find out the skill gaps hindering the employability of learners in area of organized retail industry.
- Finding out the skill required in different areas of retail industry.

### **Data analysis**

The activities of organized report can be divided into subgroups in the following manner



**Skill Gaps in Store Operations**

Table: 1

Area	Skills required	Skill Gaps
Store manager	<ul style="list-style-type: none"> <li>➤ Proficiency in spreadsheet and word processor</li> <li>➤ Execution of promotion schemes and programs</li> <li>➤ Knowledge of products, customer and processes to train sale associates</li> <li>➤ Understanding the customers and local market conditions</li> <li>➤ Soft skills and man management skills to motivate employees in ever demanding work environment.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Man management skills</li> <li>➤ Inadequate knowledge of cross functional activities such as marketing, logistics etc</li> </ul>
Billing associate	<ul style="list-style-type: none"> <li>➤ Requisite computer skills and understanding of barcode reading machines</li> <li>➤ Handling of debit and credit card.</li> <li>➤ Good interpersonal skills and knowledge of local language</li> </ul>	<ul style="list-style-type: none"> <li>➤ Inadequate knowledge related to software and transaction processing</li> <li>➤ Lack of soft skill ability</li> </ul>
Sales representative	<ul style="list-style-type: none"> <li>➤ In-depth knowledge of stores offerings and selling skills</li> <li>➤ Beside above soft skills are essential for customer interaction</li> </ul>	<ul style="list-style-type: none"> <li>➤ Inadequate and in-depth product knowledge is not there</li> <li>➤ Inadequate communication skills</li> </ul>

Source: National Skill Development Corporation Report

**Skill Gaps in Merchandising**

Table: 2

Area	Skills required	Skill Gaps
<b>Managerial</b>	<ul style="list-style-type: none"> <li>➤ Executing window and in store display</li> <li>➤ Ability to understand visual merchandising concept and current market trends</li> <li>➤ Knowledge of products and customer</li> <li>➤ Good oral communication and reporting skills</li> </ul>	<ul style="list-style-type: none"> <li>➤ Shortage of experienced people with knowledge of merchandising</li> <li>➤ Soft skill for interdepartmental coordination are lacking</li> </ul>
<b>Merchandising associate/executive</b>	<ul style="list-style-type: none"> <li>➤ Understanding store layout, display scheme</li> <li>➤ Ability to liaise with stores and purchase department</li> </ul>	<ul style="list-style-type: none"> <li>➤ Inadequate soft skills to liaison with other departments</li> </ul>

Source: National Skill Development Corporation Report

**Skill Gap and Skill Requirement in Logistics and distribution**

Table: 3

Area	Skills required	Skill Gaps
<b>Managerial</b>	<ul style="list-style-type: none"> <li>➤ Maintenance the warehouse and transport mediums</li> <li>➤ Responsibility to ensure proper availability of merchandise in retail outlets</li> <li>➤ Negotiation skills</li> </ul>	<ul style="list-style-type: none"> <li>➤ Numbers of store keeping units are large, so this task is more demanding in nature.</li> <li>➤ Availability of experienced staff.</li> </ul>

Source: National Skill Development Corporation Report

**Skill Gap and Requirement in Marketing**

Table: 4

Area	Skills required	Skill Gaps
<b>Managerial</b>	<ul style="list-style-type: none"> <li>➤ Knowledge about CRM and understanding of customer profile</li> <li>➤ Awareness about seasonality factor to ensure proper timing of sales promotion schemes</li> <li>➤ Ability to develop schemes which can break the clutter.</li> <li>➤ Oral and written communication skills</li> </ul>	<ul style="list-style-type: none"> <li>➤ Inability to adapt to changing and dynamic milieu of retail market</li> <li>➤ Inadequate soft skills to communicate various schemes in effective manner</li> </ul>

Source: National Skill Development Corporation Report

**Skill Gap and Requirement in Procurement and purchase**

Table: 5

Area	Skills required	Skill Gaps
<b>Managerial</b>	<ul style="list-style-type: none"> <li>➤ Ability to negotiate better pricing and other terms with suppliers</li> <li>➤ Knowledge of various sourcing alternatives</li> <li>➤ Identification and screening of new vendors</li> <li>➤ Good oral communication skills</li> </ul>	<ul style="list-style-type: none"> <li>➤ Shortage of skilled manpower and soft skill abilities are main gaps</li> </ul>

Source: National Skill Development Corporation Report

## **Conclusion**

From the above given tables it can be seen that the most commonly deficit skill among the human resource is soft skills. This is one of the major skill gap found among the available human resource. That doesn't mean our human resources are having upper hand in hard skills of the retail industry. First and foremost we need to focus on building up the soft skills of the youth because the key to acquire hard and other nitty-gritty skills in any sector is soft skills. These skills include social graces, communication abilities, language skills, personal habits, cognitive or emotional empathy, and leadership traits. Soft skills contrast with hard skills.

Another thing which is of great importance is that, in retail sector we need to look beyond multinationals and big cities like Tier-I, Tier-II, the gears should be shifted towards small cities where enormous potential lies. We need to convert the unorganized sector to organized sector and to achieve an integrated growth in these cities the youth should be made partners. The training rather vocational training can be a tool to empower youth from these smaller cities to turn the fortunes of this sector and their life. Sector skill councils and national skill development councils need to design the differentiated courses based on regional needs to hone the skills of youth because in a plural and multicultural country like India one size doesn't fit all. So need specific and area specific skill development programs are the need of the hour.

Public-private partnerships among various stakeholders can provide and lead to a path breaking success in this sector for fulfilling the objective of job creation. The first and foremost step which is the need of the hour is to prepare a trainers workforce, and this challenging task is not a one man's cup of tea. For inclusive growth inclusive effort is required. Government, National skill development council and various other associations need to contribute towards this cause of nation building by way of their some contribution. However, there are several aspects of the job market that need to be understood well for this highly ambitious target to be achieved. Another significant motivator for training in the retail sector is the heavy consumer focus, and hence the requirement of strong communication skills and other soft skills.

**Suggestions**

- Designing and Developing a high-quality and skill based industry specific curriculum.
- Facilitate effective coordination between at all levels and among all stakeholders.
- Shifting onus from Government to public private partnerships in skill development.
- Keeping a strict vigil and code of conduct for accreditation of institutes.
- Encouraging industry and business for promotion of skill based education and making it a part of corporate social responsibility.
- Opening up of new employment exchanges and enhancing their service delivery mechanism by changing them to counselling centres.
- Focus should be given on real training in industry through practical approach rather than reel based training in the colleges and university.

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