IMPACT OF LABOUR PROBLEMS ON UNORGANISED RETAIL SECTOR IN INDIA

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Abstract
India is the second largest consumer market in the world with twelve million retail outlets. Unorganised retails stores contribute more to the total retail stores. The aim of this study is to analyse the impact of labour problems on unorganized retail sector. The samples of retailers are chosen from Chennai city, Tamilnadu. Totally 600 retailers were approached. Finally 528 retailers are considered as a sample size for the study. Descriptive statistics, Friedman's multiple comparison test and Multiple regression analysis are used to describe the sample. The result observed that the labour problems have significant impact on unorganised retail business in India.

Keywords: Unorganised Retail Sector, Labour Problem, Challenges, Retailers, Store.

Introduction
India is a nation of traditional mom and pop stores, which have an extensive reach, and have been ruling the retail sector for many years. The traditional unorganized retail outlets provide customized services to their small local client, including credit sales and home delivery. The Indian retail sector is highly fragmented and the unorganized sector has around 13 million retail outlets that account for around 95 - 96 % of the Indian retail industry. Kirana store retailing has been one of the easiest ways to generate self-employment, as it requires limited investment in land, capital and labour. It is generally family run business with lack of standardization and the retailers who are running this store are lacking education, experience and exposure. In smaller towns and urban areas, there are many families who are traditionally using these Kirana shops/mom and pop stores offering a wide range of merchandise mix. When it is narrowed down to grocery shoppers, customers are faced with decisions to make a choice between different types of retail formats like stores of varying sizes, discount stores, supermarkets and hypermarkets. This study focused the labour problems faced by unorganised retailer in their day to day business life.

Retail is a simple concept which means to buy or make goods and place them on a shelf and sell it with a profit. However, competition for customers and the expenses involved in running a store ultimately pose challenges in the retail industry. Retail is the sale of goods and services from individuals or businesses to the end-user of the products and services (Neha Puri, 2013). David Gilbert (2003) defined retail as any business that directs it marketing efforts towards satisfying the final consumer based upon the organization of selling goods and services as a means of distribution.

Retail comes from the French word retailer, which refers to "cutting off, clip and divide" in terms of tailoring. It was recorded as a noun with the meaning of a sale in small quantities. Its literal meaning for retail was to "cut off, shared, paring". Like the French, the word retail in both Dutch and German (detail handel and Einzel handel perceptively), also refers to the sale of small quantities of items (Bhalla, 2011). Retailing is, buying in large quantity from a whole seller or directly from a manufacturer and selling the goods or services to consumer for personal consumption. Retailing is defined as a conclusive set of activities or steps used to sell products or services to consumers (Nisha Rathore, 2010).

The term retailing refers to any activity that involves a sale to an individual customer. Retailing is the interface between the producer and the individual consumer buying for personal consumption. This excludes direct interface between the manufacturer and institutional buyers such as government and other bulk customers. The retail industry is of late often being hailed as one of the sunrise sectors in the economy (Saurabh Bajpai, et. al., 2011). Retailing is the set of business activities which adds value to the products and services sold to consumers for the personal or family use (Michael Levy and Barton Weitz, 2003).Rajib Bhattacharyya (2012), defined as a set of all activities involved in selling goods or services directly to the final consumer for their personal, non-business use by the way of shops, market, door-to-door selling, and mail-order or over the internet where the buyer intends to consume the product.

 The phenomena of retailing involves a direct interface with the customer and the coordination of business activities from end to end- from the concept or design stage of a product , to its delivery and post-delivery service to the customer (Zulfiqar Murtaza, 2015). Retailing can be defined as the buying and selling of goods and services. It can also be defined as the timely delivery of goods and services demanded by consumers at prices that are competitive and affordable. (Vidushi Handa and Navneet Grover, 2012).

Thus retailing can be said to be the interface between the producer and the individual consumer buying for personal consumption. This excludes direct interface between the manufacturers and institutional buyers such as the government and other bulk customers. Retailing is the last link that connects the individual consumers with the manufacturing and distribution chain. A retailer involves in the act of selling goods to the individual consumer at a margin of profit (Sonia, 2013).

Retailing includes all the business activities involved in selling goods or services to the final consumers for personal non-business use (Phillip Kotler, 2011).The actual term retailing is thought to be derived from the old French word retailer which means a piece of or to cut up (Brown, 1992). This implies the breaking-of-bulk function of the retailer that is, the acquiring of large amounts of the products they sell and dividing them up into smaller amounts to be sold to individual consumers. Retailing, on the other hand includes subordinated services, such as delivery. In simple words it is the sale of goods or commodities in small quantities directly to consumers. Retailing is all about understanding the needs of the customer and moulding and packaging the products according their requirements. With the help of retailing the marketers are able to understand the connections between the lifestyle and expenditure characteristics of customers and their preference to purchase one product or brand over another, also this helps in understanding competition prevailing in the market (Vetrivel,Solayappan 2016).

The Unorganized sector consists of unincorporated businesses that are owned and run by individuals or households. These businesses are not legally distinct from their owners, who raise capital at their own risk and have unlimited personal liability for debts and obligations. Informal businesses typically employ family members and casual labour without formal contracts.

Unorganized sector is defined by National Commission for Enterprises as consisting of all unincorporated private enterprises owned by individuals or households engaged in the sale or production of goods and services operated on a proprietary or partnership basis and with less than ten total workers (Malavika Srivastava, 2014). Amongst the characteristic features of this sector are ease of entry, smaller scale of operation, local ownership, uncertain legal status, labour-intensive and operating using lower technology based methods, flexible pricing, less sophisticated packing, absence of a brand name, unavailability of good storage facilities and an effective distribution network, inadequate access to government schemes, finance and government aid, lower entry barriers for employees, a higher proportion of migrants with a lower rate of compensation (Rapaka Satya Raju, 1989).

The above mentioned definition explains how unorganized retail is different from organized retailing wherein retailers pay their taxes to the government and also provides customers with a proper bill. Unorganized retailers provide customized services such as credit facilities, personalized services etc., which organized retailers cannot provide. Unorganised retailers have many problems and challenges in their day to day business environment such as labour problem, marketing problem, financial problem, social problem etc.., this study focus on what are the challenges and problems faced by unorganised retailers in term of labour problem and analysed its impact on retail business. This study will provide complete knowledge to retail owner about manage labour problems in their shop and helps to create new strategies to develop better labour based polices.

Research Methodology
The primary objective of this paper is to analyse the impact of labour problems on unorganized retail sector in India. Retailer's opinion is described in this study; hence this study falls under descriptive in nature. Labour problem scale has been developed by the researcher. There are 10 statements are considered for analyzing the labour problems of the retailer in the study. It is measured with five point scale where 5 stands for strongly agree, 4 for agree, 3 for neutral, 2 for disagree and 1 for strongly disagree.

The samples of retailers are chosen from Chennai city, Tamilnadu. Totally 600 retailers were approached. However, 528 responses are fit for the further analysis. Hence, 550 is the sample size of the study. Finally 528 retailers are considered as a sample size for the study. Descriptive statistics, Friedman's multiple comparison test and Multiple regression analysis are used to describe the sample, to show that which are the statements those highly influenced and measure the linear association between the dependent and independent variable.

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Table 1: Retailer opinion towards labour problem in retail business

S. No	Labour problems	Mean	Std. Deviation	Friedman's Mean Rank	Chi square value	P-value	Multiple comparison test
1	Taking leave very frequently	3.48	1.447	5.82			
2	Poor Retention of Labour	3.42	1.379	5.62			
3	Negative attitude of Labour	3.23	1.219	4.76			
4	Expecting Higher Wages	3.49	1.434	5.84			10
5	Untrained employees	3.49	1.359	5.69	94.092	0.001*	4,1 5,2
6	Laziness of the employees	3.33	1.459	5.41			9,6 8,7
7	Lack of reliability	3.12	1.528	5.14			3
8	Irresponsible approach with customer	3.18	1.477	5.29			
9	Poor co-operation with co-workers	3.28	1.522	5.49			
10	Expecting more incentives / Bonus	3.55	1.436	5.95			

Source: Primary data computed; * Significant @ 1% level.

Taking leave very frequently, poor retention of labour, negative attitude of labour, expecting higher wages, untrained employees, laziness of the employees, lack of reliability, irresponsible approach with customer, poor co-operation with co-workers and expecting more incentives / bonus are the various problems faced by the unorganized retailers in the labour side. The respondents are asked to rate their opinion towards their labour problems. The result displayed in the table-1.

The mean value ranged from 3.12 to 3.55. Based on the mean value it is inferred that the respondents are having the moderate level of labour problems. The corresponding standard deviation values indicate that there is no much deviation within the group of retailers.

H0: Opinion about labour problems is found to be similar among all the respondents.

In order to test the above stated hypothesis Friedman test is applied. The Friedman mean rank lies between 4.76 to 5.95 and chi square value is 94.092 which is significant at one percent level. Hence the stated hypothesis gets rejected. It is inferred that the level of labour problems is varied among the retailers. In order to identify the highest level of labour problems, Friedman multiple comparison test is applied. After applying the test, 10 problems are grouped in to 6 categories. Expecting more incentives or bonus placed as first rank and which is highest labour problem, followed by expecting higher wages and taking leave very frequently are in the second place. Untrained employee and poor retention of labour together occupy the third place. Poor cooperation with co-workers and laziness of the employee takes place in the fourth position followed by irresponsible approach with customers and lack of reliability is in the fifth place and negative attitude of labour alone occupies the last position.

Table 2: Impact of labour problem on retailers

R	R Square	Adjusted R Square	F- value	P-value.
0.792	0.542	0.527	16.486	0.001*

Labour problems	B	Std. Error	Beta value	t-value	P-value
(Constant)	4.806	0.150	-	32.082	0.001*
Taking leave very frequently	-0.175	0.063	-0.204	-2.787	0.006**
Poor Retention of Labour	0.349	0.061	0.389	5.755	0.001*
Negative attitude of Labour	0.133	0.071	0.131	1.862	0.063 (NS)

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Expecting Higher Wages	-0.373	0.061	-0.432	-6.083	0.001*
Untrained employees	-0.324	0.081	-0.357	-3.985	0.001*
Laziness of the employees	-0.008	0.057	-0.010	-0.143	0.886 (NS)
Lack of reliability	-0.172	0.051	-0.213	-3.362	0.001*
Irresponsible approach with customer	0.338	0.060	0.404	5.681	0.001*
Poor co-operation with co-workers	-0.163	0.061	-0.200	-2.677	0.008**
Expecting more incentives / Bonus	0.225	0.079	0.262	2.870	0.004**

Source: Primary data computed; * Significant @ 1% level; ** Significant @5% level; NS: Non significant

Regression analysis is applied to identify the strongest predictor of labour problem in challenges. The measure of strength of association in the regression analysis is given by the co-efficient of regression determination denoted by R square value is 0.542. The adjusted R square value is 0.527 displays that 52.7 percent of the influence on the level of challenges. The F-value is 16.486 and P-value is 0.001 which is significant at one percent level. Hence, above stated hypotheses is rejected. The corresponding P-value is significant. So these labour problems are significantly influenced on challenges. Challenges is expressed by following equation.

Challenges = 4.806 (constant) + 0.349 (Poor retention of labour) + 0.338 (irresponsible approach with customer) + 0.225 (expecting more incentives) - 0.163 (poor co operation with co workers)-0.172 (lack of reliability) -0.175 (taking leave very frequently) – 0.324 (untrained employees) – 0.373 (expecting higher wages).

The above equation is explained that poor retention of labour, irresponsible approach with customer, expecting more incentives/ bonus have positive impact on challenges. Whereas taking leave very frequently expecting higher wages, untrained employers, lack of reliability, poor co-operation with co-workers have negative impact on challenges. To increase one unit of challenges, poor retention of labour increased by 0.349, Irresponsible approach with customer increased by 0.338 and expecting more incentives/ bonus increased by 0.225 increased by 0.133. However, poor co-operation with co-workers decreased by -0.163, lack of reliability decreased by -0.172, Taking leave very frequently decreased by -0.175, untrained employers decreased by -0.324 and expecting higher wages decreased by -0.373. Where other factors remain constant. It is found that poor retention of labour, irresponsible approach with customer and expecting more incentives have positive impact on the challenges. Poor co-operation with co workers, taking leave very frequently, untrained employees, lack of reliability expecting higher wages are negatively significantly impact on challenges.

Conclusion
The various factors have been studied to determine a solution to overcome the challenges from the labour problem. Therefore the unorganized small retailers must give utmost importance to these factors to overcome the challenges faced by them as all these strategies contribute to the positive perceptions of retailers towards effective sustainability in the market. The analysis of this research paper and the results obtained will provide a strong base to the marketing authorities on various factors to be taken into consideration, more incentives/bonus alone takes place the first position and negative attitude of labour alone occupies the last position and these factors together contribute towards labour problems. It is inferred that the labour problems significantly influence on challenges. Poor retention of labour, irresponsible approach with customer and expecting more incentives have positive impact on the challenges.

Poor co-operation with co workers, taking leave very frequently, untrained employees, lack of reliability expecting higher wages are negatively significantly impact on challenges. Motivating the staffs to improving the performance of their work. The quality of service is a key factor and winning a higher share of customer. Staff must be trained and motivated to recognize their best customers and to offer them superior service. The unorganized retailers clearly understood the impact of the organized retailers on their business in terms of sales, profit and employment. But they are struggling to introduce changes in their existing retail practices due to their financial illness.

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