

INTERNAL RESOURCES OF INCREASING RETAIL EFFICIENCY

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Abstract. *Despite the difficult period for retail, Russian retail chains continue to develop and find new resources to improve the efficiency. The largest retail chains are expanding markets and continue to grow steadily. However, modern economic conditions place high demands on the activities of managers and staff in retail. Moreover, the unstable external environment forces the management to look for new opportunities of improving their enterprises competitiveness. An organizational culture is the important resource for improving the retail enterprise efficiency. Nevertheless, the effective organizational culture can be built only on the shared values of all staff. The article describes the results of the study of value orientations of managers and subordinates in connection with their work activity. We analyzed the "TD Intertorg" ("Narodnaya 7-ya Family") which was one of the largest food retail companies in St. Petersburg. We used the formalized survey methodology to study the value orientations of 170 employees of the company. We identified and characterized the differences in the value orientations of the administrative, retail and operational staff with high and low labor activity. Also we defined the key values for the creation of the organizational culture that increases the efficiency of the personnel of the retail company. We offered the mechanism of development organizational culture for the trade enterprise on the basis of values compatibility of the managers and subordinates. The results help us to optimize business communication process and improve the efficiency of the retail enterprise.*

Keywords: *management in retail, human resources management, values, motivation, organizational culture*

Introduction

Russian grocery retail is represented by 10 major players. The level of competition is quite high; no one can maintain a competitive advantage for a long time. Therefore, retail chains are looking for additional resources to improve the efficiency of their enterprises, which will create a sustainable advantage and help to optimize business processes. Traditionally, the staff turnover rate in trade enterprises is high. This is due to the

specifics of the activity and the lack of career opportunities for young professionals¹. The organizational culture of the enterprise is an internal resource that can increase team cohesion and reduce staff outflow². Cohesion is formed with the help of organizational culture accepted by all staff as an ideological basis for the active participation of all employees in achieving a common goal. Studying the structure of value orientations of employees of a trading enterprise, it is possible to determine the basis for the creation of a single organizational culture. The "working effect" of the organizational culture is manifested in the reduction of staff turnover, increasing the motivation of staff, cohesion and manageability of the workforce and, as a result, improving the performance of the enterprise.

Enterprise Characteristics

Supermarkets "Narodnaya 7-ya Family" is under the management of "TD Intertorg". "TD Intertorg" grocery retailer that owns retail chains in the North-West region: supermarkets "Narodnaya 7YA Family", supermarkets "idea", "Spar", "Standard". In 2008 production of own production (pickles, salads, pastries, hot dishes, cooking) was opened especially for these networks. In 2011, the company began to develop a network of stores Spar franchise.

The company is represented in such cities and regions as St. Petersburg and the Leningrad region, Moscow, Veliky Novgorod, Murmansk and Vologda regions, Republic of Karelia and Arkhangelsk oblast. The company is included in the top 10 Russian retailers. In carrying out its activities, the trading network "Narodnaya 7-ya Family» is guided by the following principles:

- close location to the house;
- democratic price;
- the optimal ratio of price and quality of goods;
- diverse range of products;

¹ Krasnyuk, I.A., Bakharev, V.V., Kozlova, N.A., Mirzoeva, D.D. Staffing in the sphere of trade: The main issues and prospects of solution. 2017. Proceedings of 2017 IEEE 6th Forum Strategic Partnership of Universities and Enterprises of Hi-Tech Branches (Science. Education. Innovations), SPUE. P. 48-50.

² Krymov S.M., Kapustin I.V., Colgan M.V. Management system business process as a model for the training of industrial enterprises. Proceedings of XVI all-Russian scientific-practical conference "Planning and providing training for industrial and economic complex of region", 2017, p.130-133.

- the presence of accompanying goods of daily demand;
- products of own production.

The strategic goal is defined as follows: to maximize profits and ensure the optimal functioning of the organization. Despite the fact that the strategic goal does not reflect the work with the staff, the social sub-goals focus on the cohesive work of the staff and include the following:

- recruitment and placement;
- formation of personnel reserve; social development of the workforce;
- ensuring a management process understandable to the whole team.

The Enterprise Problems in Human Resource Management

Management of "TD Intertorg" in St. Petersburg was interested in reducing staff turnover. In this regard, the personnel service studied the reasons for the dismissal of employees and the motives for their departure in the supermarkets "Narodnaya 7-ya Family" in St. Petersburg. The most frequent reasons for dismissal on their own were the following:

- Poor working conditions 6,2%
- Conflicts in the team 11,1%
- Low level of management attention 14,1%
- Big salary elsewhere 21,2%
- No career growth 22,3%
- Firing friends 3,3%
- Bad emotional situation in the team 16%
- Manager's mistakes 5,4%
- Other cause 0,4%.

The reasons for dismissal were traditional for commercial enterprises. They were caused by the lack of career growth and the opportunity to receive more material remuneration in another enterprise. However, the reasons for dismissal, which are characteristic of those labor collectives, where there is no effective organizational culture, were revealed: bad psychological climate, lack of attention from the management, conflicts in the team. The percentage of the reasons for the dismissal of employees of the "Narodnaya 7-ya Family" is shown in figure 1.

Reasons for leaving employees



Figure 1 – The percentage of the reasons for the dismissal of employees

Research Description

To clarify the current personnel situation in the supermarkets of the "Narodnaya 7-ya Family" was conducted an additional study of labor team. In research took part the employees 4 of the supermarkets "Narodnaya 7-ya Family" in Saint-Petersburg located at: Babushkina str. 97, b.1, Babushkina str. 111, Tkachy str. 6, and Sedova str. 154.

The study involved 170 people of staff, who are represented by the following functional groups:

1. Administrative staff: Director, Deputy Directors, managers, shop floor, merchandisers, PC operators.
2. Trading operational staff: cashiers, senior cashiers, salesmen divisions, packers-the packers.
3. Support staff: movers, pickers, cleaners, guards.

Table 1 shows the number of staff who participated in the study.

Table 1. Structure of the personnel involved in the study

	Babushkina str. 111, Amount of people	Babushkina str. 97, b.1, Amount of people	Tkachy str. 6. Amount of people	Sedova str. 154 Amount of people
Management staff	5	6	5	5
Sales staff	24	26	25	26
Support staff	11	14	11	12
Total	40	46	41	43

The structure of staff shows that the largest percentage occupied by sales staff – 59.4 %. However, the support staff is also important in the activities of the workforce and is almost 28.2%. Management is 12.4%. The goal of the study was to identify hidden resources to improve the efficiency of food retail enterprises. In accordance with the purpose, the following tasks were defined:

- identification of opportunities to improve the efficiency of the enterprise;
- study of value orientations of personnel with different indicators of labor activity;
- definition of key values for creation of organizational culture of the enterprise providing high efficiency of activity.

Employees of the supermarket "Narodnaya 7-ya Family" is a small group with traditional group dynamics. The small group is limited in size and is characterized by frequent interactions between its members to address formal and informal challenges to achieve a common goal. The main criterion for a small group is the presence of opinions and perceptions of the group members about each other. A small group united by a common goal of activity is always characterized not only by formal relations, but also by informal ones. Thus, the labor collective of the trade is a formal and informal group at the same time, being at a certain stage of development. In the process of formal and informal communication in a small group formed and changed value orientations that are implemented in professional activities. The carriers of common value orientations in a small group are informal leaders. Their values are accepted by the whole group.

The methodological basis of the study was chosen stratometric concept of group activity, developed by A.V. Petrovsky³. The chosen methodological basis allowed to take into account in the study of the activity of a

³ Petrovsky, A.V. The Personality. Activity. Collective. M., 1982.

small group not only the features of interaction and communication acts, but also to take into account the content of professional activities of the group.

The stratometric concept allows us to describe the labor activity of a small group in accordance with its level of development and accepted value orientations. The labor collective, as the highest level of development of a small group, is considered in various aspects, the most significant are the value-orientation unity, the degree of reference of this group for its members, cohesion, commitment to a common goal, etc.⁴ The use of the stratometric concept of group activity as a methodological basis of the study allows to determine the psychological correlates of the effectiveness of professional activity of staff. In order to use quantitative characteristics in the study of individual characteristics and the status of the individual in the group, sociometry is used⁵. Sociometry allows assessing the status and system of interpersonal relations in a small group. In the study conducted on the basis of the supermarkets "Narodnaya 7-ya Family" in St. Petersburg, the parameter was used – the efficiency of the employee's work. The efficiency of the employee's work was defined as the contribution of a particular employee in achieving the goal of the whole team. Each member of the staff received an assessment of the effectiveness of labor activity. Groups with high and low scores were formed. The comparative analysis of value orientations of extreme groups was made. The survey was conducted anonymously. The study of value orientations of administrative and managerial personnel and trade and operational personnel was carried out by the method of M. Rokeach⁶. The technique allowed distinguishing the leading value orientations in extreme groups – with high and low efficiency of labor activity. Table 2 shows the main terminal (goals) and instrumental (tools) values of the management, sales staff and support staff of the supermarkets "Narodnaya 7-ya Family".

Among the terminal values managers have a high rating of interesting life, family and Self-Respect. Managers have more pronounced cognitive orientation. Among the instrumental values, that is, the means to achieve the goal, good manners, responsibility and ambition are highly valued. We can say that instrumental values contribute to the achievement of goals by combining ambition with responsibility and correct behavior with the staff. Sales staff, support staff appreciates the inner harmony, family and comfort in life. Discipline, cleanliness and politeness occupy high positions in instrumental values. Terminal values sales and support staff

⁴ Psychological theory of the collective / ed. by A. Petrovsky. M., 1979.

⁵ Moreno, J. L. Sociometry, Experimental method and the science of society. M., 2001.

⁶ Rokeach, M. Some unresolved issues in theories of beliefs, attitudes and values. In Howe, H.E.J.; Page, M.M. (eds.). Lincoln, Nebraska: University of Nebraska Press, 1979, p.261-304.

have an egoistic orientation, while instrumental values assume a stance appropriate to commend and encourage the work. This combination of terminal and instrumental values will contribute to the achievement of individual goals that may conflict with the goals of the team. However, the means of achieving these goals are those that are supported by social norms.

Table 2 – Basic terminal (goals) and instrumental (tools) values of administrative, commercial, operational and support personnel

Personal	Terminal Values	Instrumental Values
Management staff	An Exciting Life Family Security Self-Respect	Responsibility Ambition Politeness
Sales staff, support staff	Inner Harmony Family Security A Comfortable Life	Obedience Cleanliness Politeness

The results obtained in the course of studying the value orientations of employees were correlated with the performance rating, which revealed the following pattern presented in tables 3 and 4.

Table 3 – Value orientations and labor efficiency rating of management

Values	Rating of work efficiency	
	High rating	Low rating
Terminal Values	An Exciting Life Family Security Self-Respect	A Comfortable Life Family Security Pleasure
Instrumental Values	Cheerfulness Responsibility Ambition	Logic Broad-Mindedness Politeness

Comparative analysis of the extreme groups showed a difference in the structure of terminal values among managers with high and low labor efficiency. Managers with high labor efficiency appreciate interesting work, at the same time; life wisdom prevails in the value orientation of managers with low labor efficiency.

This can be explained by extroversion in the former and introversion in the latter. In a group with low labor efficiency, the lack of cognitive interest is replaced by a wise attitude to life, thereby reducing the value of active knowledge. This is confirmed by the comparative analysis of instrumental values. Managers with a high level of efficiency in choosing ways to achieve the goal are based on cheerfulness, responsibility and ambition. It can be concluded that the instrumental values of management optimize the process of enterprise management and correspond to an active life position. Managers with a low level of labor efficiency prefer rationalism, broad-mindedness and good manners. This may explain the choice of a less efficient way of managing the enterprise. Both groups are characterized by responsibility, which is a positive trend in the group dynamics of the team.

Table 4 – Value orientations and labor efficiency rating of sales staff and support staff

Values	Rating of work efficiency	
	High rating	Low rating
Terminal Values	An Exciting Life Family Security A Comfortable Life	Inner Harmony A Comfortable Life True Friendship
Instrumental Values	Obedience Cleanliness Politeness	Cleanliness Politeness Logic

The similarity of the terminal values of managers is a prerequisite for the formation of an effective organizational culture of the entire enterprise. Through a close-knit team of managers, the director of supermarket can carry out work aimed at all personnel. Analysis of terminal and instrumental values of sales and support staff showed the presence of both differences and similarities in groups with high and low labor efficiency. Life comfort is highly valued in both groups. The group with high efficiency of labor is higher values happy family life, with low – availability of good and true friends. This difference can be explained by the age or marital status of the employees. Most of the trade and operational personnel are young and middle-aged women.

Instrumental values of extreme groups of sales and support staff differ in one position. All personnel highly appreciate accuracy and good manners that can be explained by specifics of professional activity, financial responsibility and aspiration to non-conflict service of customers. In a group with high performance,

employees emphasize the importance of diligence, with low – higher value rationalism, as in the same group of managers. The fact that all staff with low labor efficiency indicators highly appreciates rationalism allows us to speak about this value as an indicator of the tendency to passive professional behavior. Rationalism can also act as a protective mechanism of the individual, explaining the low efficiency in the work, ensuring successful adaptation to the surrounding world.

Conclusion.

It can be concluded that the values of responsibility and diligence are key to the formation of an organizational culture aimed at active life position of employees and high efficiency of work. The value of rationalism can be an indicator of the propensity to a certain type of protective mechanism of the individual, explaining the low efficiency of labor. The use of key value orientations allows forming the organizational culture of retail chains, focused on the effective work of staff. Used in the study, the system of forecasting the efficiency of personnel on the structure of value orientations can improve the efficiency of the enterprise with minimal cost.

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