MK 322 Retail Management
Chapter 9: Human Resource Management
Part II

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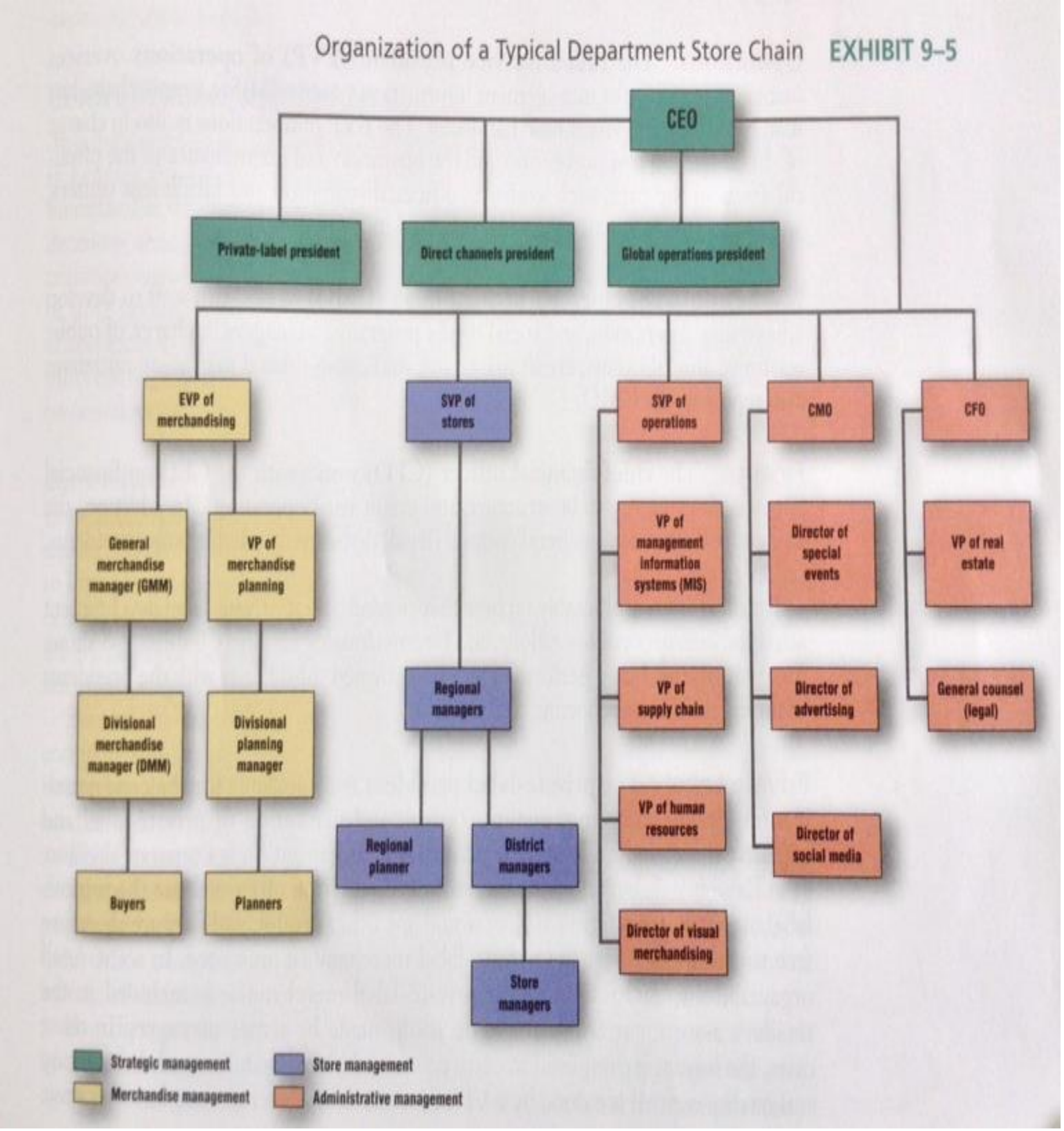
Designing the Organization Structure for a Retail Firm

Organization of a National Retail Chain

- The management of a retail chain is complex
- Managers must supervise units that are geographically diverse

- Chief executive officer(CEO) is responsible for overseeing the entire organization
- Reporting to the CEO are the presidents of global operations, the internet channels, and private-label management and senior vice presidents of merchandising, stores and administration

Organization of a National Retail Chain



Merchandising

- The senior vice president (SVP) of merchandising works with buyers and planners to develop and coordinate the management of the retailer's merchandise offering and ensure that it is consistent with the firm's strategy
- The buyers in the merchandise division are responsible for determining the merchandise assortment, pricing, and managing relationships and negotiating with vendors

Merchandising

- The merchandising buyers are responsible for allocating merchandising and tailoring the assortment of several categories for specific stores in a geographic area

Stores

- The senior vice president (SVP) of stores supervises all activities related to stores, including working with regional managers, who supervise district managers, who supervise the individual store managers
- Store managers in large stores have several assistant managers who report to them
- One assistant manager is responsible for receiving, restocking,and presentation of merchandise in the store; HR activities a
store maintenance and store security

Stores

- Each region has regional planners who work as liason between stores in their region and the corporate planners to ensure that the stores have the right merchandise, at the right time, and right quantities

Operations

- The executive vice president (EVP) of operations oversees managers in charge of the management information systems (MISs), supply chain, human resource, and visual merchandising

Marketing

- The chief marketing officer (CMO) works with staff to develop advertising, promotion, social media programs
- Managers in charge of public relations, annual events, credit marketing, and cause-related marketing initiatives also report to CMO

Finance

- The chief finance officer (CFO) works with the CEO on financial issues such as equity-debt structure and credit card operations
- In addition, the real estate division and general counsel (legal) divisions headed by vice president report to the CFO

Private Label

- The private-label president is responsible for conceptualization,design,sourcing,quality control, and marketing of private-label and exclusive merchandise

Internet,Mobile,and Catalog, Channels

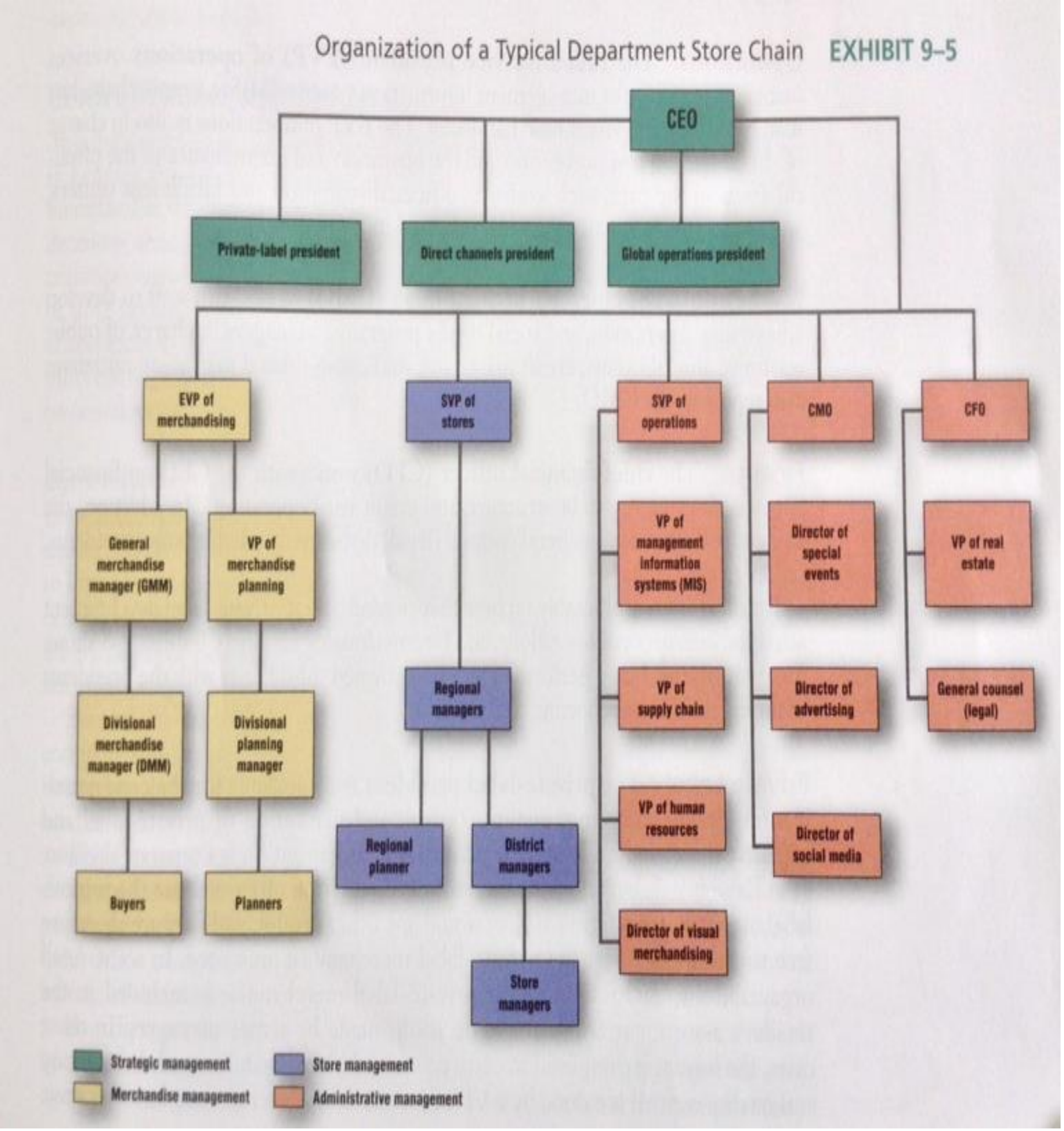
- The president of direct channels is responsible for the selection and pricing of merchandise assortment offered via these channels, the maintenance and design of the retailer's website, customer call centers, and the fulfillment centers that fills orders for individual customers

Global

- The global operations president oversees retailing operations outside the home country

- The global organization typically has merchandising, administration,stores,and operations divisions for each country and region

Organization of a National Retail Chain



Centralization and Coordination

- Two important organizational issues are

1. The degree to which decision making is centralized or decentralized
2. The approaches used to coordinate merchandise and store management

Centralization

- Centralization occurs when the authority for retailing decisions is delegated to corporate managers rather than geographically dispersed managers
- Decentralization occurs when authority for decisions are assigned to lower levels in an organization

Coordinating Merchandise and Store Management

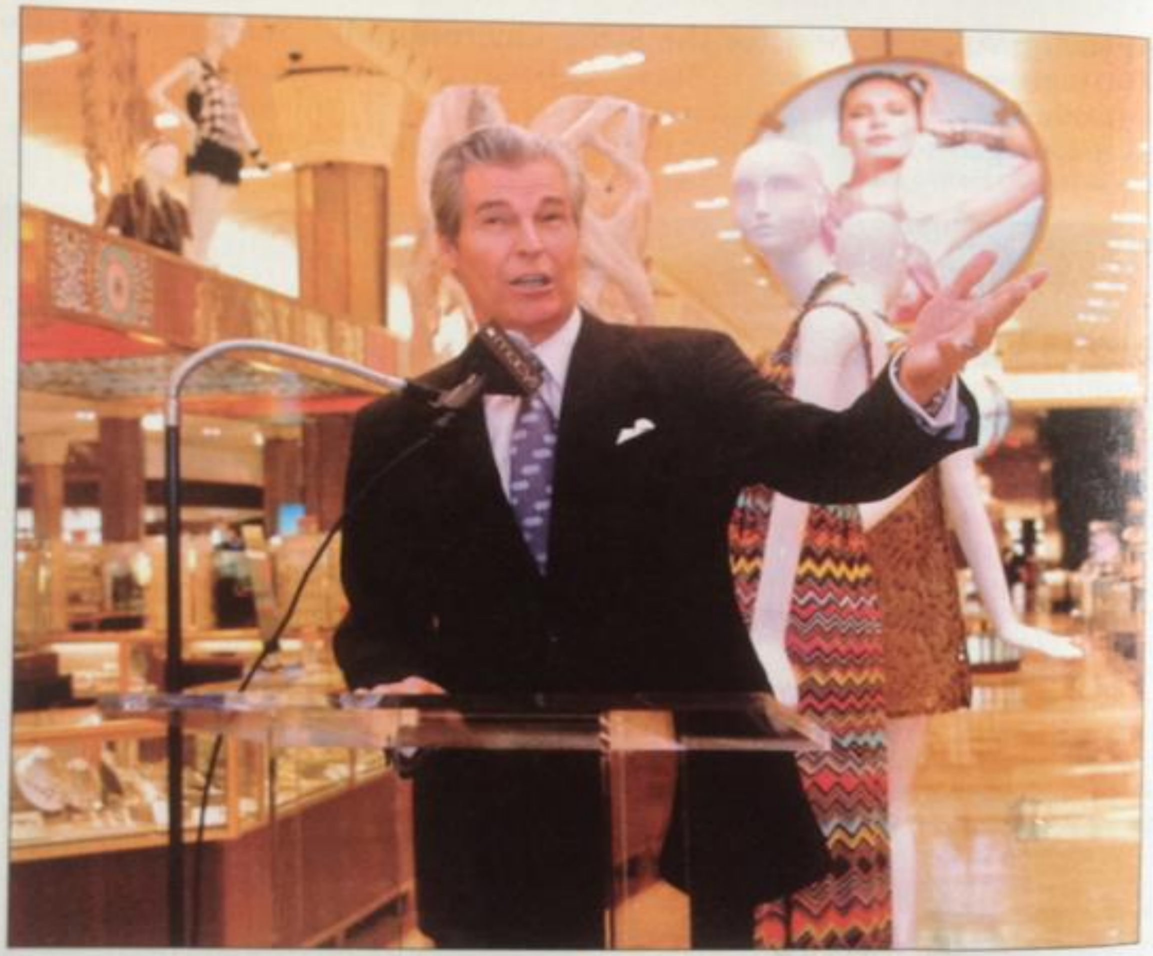
- Small,independent retailers have little difficulty coordinating their stores' buying and selling activities. Store owners know what their customers want
- In contrast, large retail firms organize buying and selling functions into separate divisions

Coordinating Merchandise and Store Management

- Three approaches large retailers use to coordinate buying and selling are

1. Improving buyers' appreciation for store environment
2. Making store visits
3. Assigning employees coordinating roles

Coordinating Merchandise and Store Management



Terry Lundgren, CEO of Macy's, gets to know his customers and employees by visiting stores.

Winning the Employee Talent War

Employment Branding

- HR departments for Starbucks and Marriott are developing marketing programs to attract and retain the "Best and brightest"employees
- Called employment branding or employment marketing involve in undertaking marketing research to understand what potential and current employees are seeking as well as what they think about retailer;developing value proposition and employment brand image;communicating the brand image to the potential employees;and then fulfilling the brand promise by ensuring that employee experience matches the image created

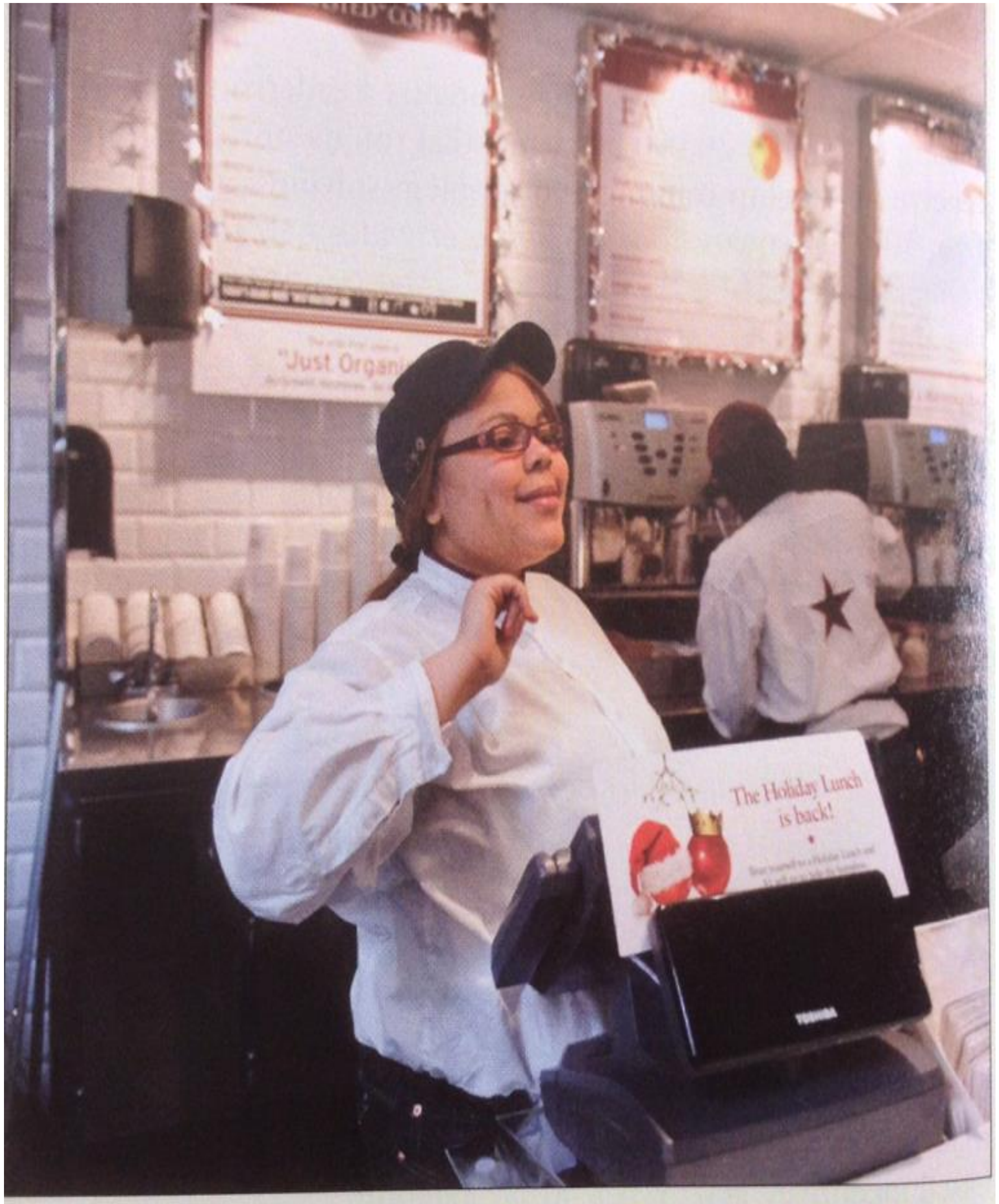
Employment Branding

Starbucks builds its employment branding program around the theme "Love What You Do and Share It With Others."

Developing Talent: Selection and Training

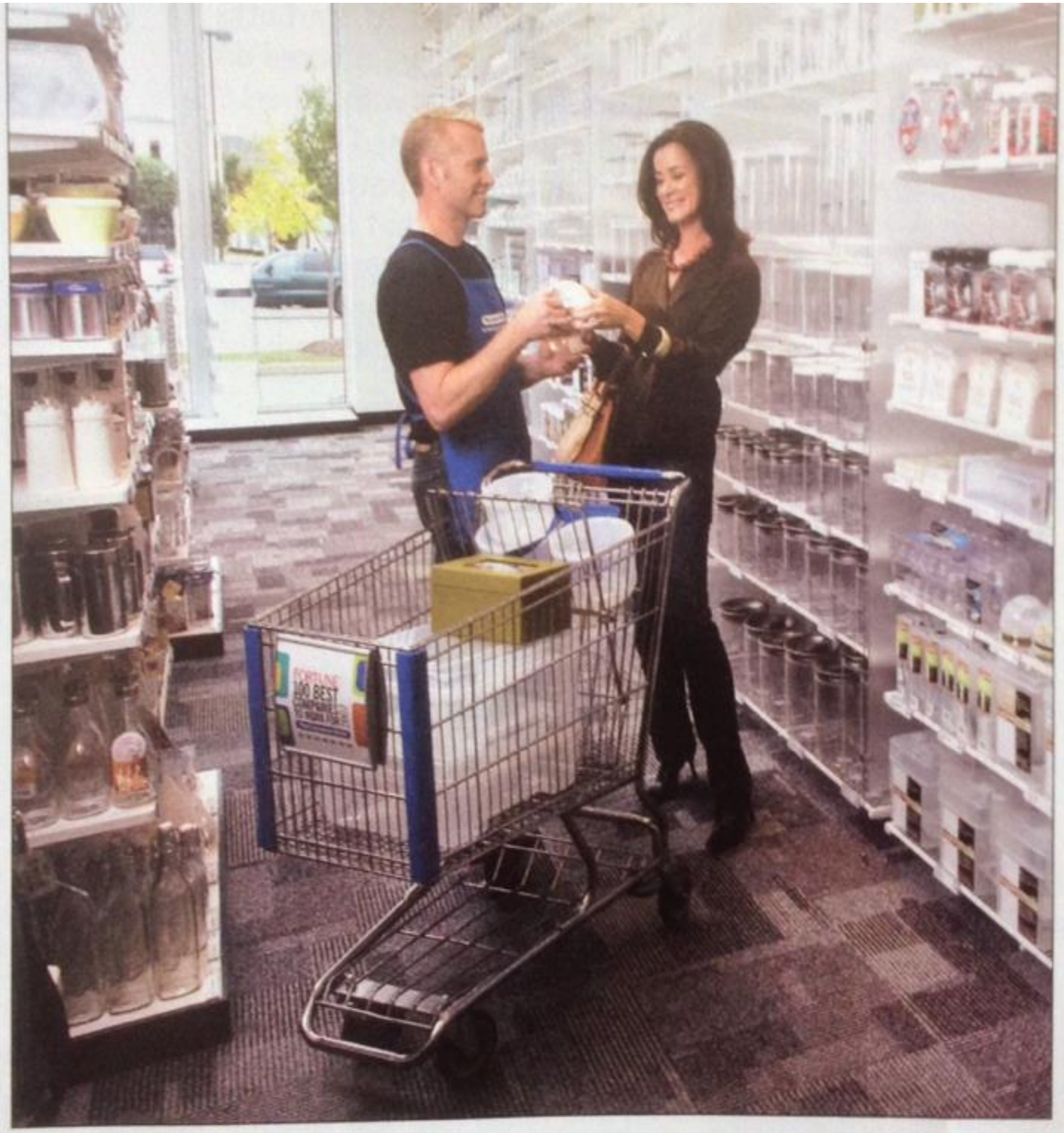
- Selective Hiring
- Training

Developing Talent: Selection and Training



Pret A Manger feels it can teach employees how to make sandwiches, but it can't teach people to be happy. So it hires happy people.

Developing Talent: Selection and Training



The Container Store is very selective in its hiring. Its best hires come from its customer base.

Motivating Talent: Aligning Goals

- Policies and supervision – written
- Compensation-based incentives- commissions, bonus, profit-sharing

Organization Culture

- An organizational culture is the set of values, traditions, and customs of a firm that guides employee behavior

Other Important Goals

- Keeping Talent-reduce turnover
- Empowering employees
- Engaging employees

1. Reduce Status Difference
2. Promote from Within
3. Balance Career and Family-Flexitime
4. Provide Benefits- Health care
5. Use social media- to communicate and engage employees


That's All Folks