

## **LIFESTYLE INTERNATIONAL: BUILDING A PERFORMANCE CULTURE**

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The retail business often works like an orchestrated symphony of different melodies. Hence Lifestyle International from the Landmark group believes that *“For a retail company to grow profitably, every function, every employee needs to deliver in full, in time and the best quality. The coordination must occur across functions – HR, Finance, Projects, Marketing, Visual Merchandising, Information technology and legal/Audit as well as across categories – Men’s wear, Women’s wear, Kids’ wear, Footwear, Accessories and Brands.”*

The fast-paced growth and the realities of the retail industry, poses a unique challenge for the HR function. HR programs and initiatives at Lifestyle International Pvt. Ltd., have had to be geared towards ensuring the retention of employees in a high-attrition industry, development of employees in an industry with a talent crunch and continuous evolution of practices to enable the fast-paced growth of the organization.

Lifestyle International Pvt. Ltd. believes that building a great workplace has direct impact on the business results, interactions with stakeholders and position as a preferred employee. The key ingredients for a great workplace include a culture of openness, transparency, camaraderie, performance, pride and passion. The company believes in making a difference to the employees at every possible touch point - From the time the employee joins the organization, the company believes in putting its people first and ensuring that the employee is happy to work with them. As a company representative puts it, *“The equation for us is simple, happy employees make for a happy organization which enables us to provide the best customer service at our stores.”*

### **INDUCTION**

The induction process for new employees is aimed at ensuring a listening, supporting and enabling environment during the early days of settlement and acclimatization. The company has various programs that ensure that employees feel welcome and are able to perform at their highest level in the shortest possible time. Some examples include:

Get Connected – In this onboarding program, the HR team meets employees on the 30<sup>th</sup> and 90<sup>th</sup> day of corporate office, and the 20<sup>th</sup> and 40<sup>th</sup> day at the stores. In-company employees are given questionnaires that can be answered objectively and the HR addresses any issues/grievances immediately.

Buddy System – the Buddy program is the 7-day mentoring program at Max, wherein senior employees handhold new employees so that they have a point of contact for any help in the organization.

In-Store Training – At Max, in-store trainers ensure that all new employees go through the on-the-job training on products and processes. Modules are prepared and shared with trainers. This activity is closely monitored by the HR department.

NeMO – New Manager Orientation is the training provided to all middle management recruits. This involves one-on-one introduction and orientation to the various functions by their head of departments. This has proved to be a fast and effective way to help managers assimilate how the organization works. While the company takes care of handholding and easing the transition into the company for new recruits, the success in teambuilding and co-ordination only occurs when the necessary culture is nurtured and ingrained in the employees. Hence, the most important aspect of employee management at Max Retail of Lifestyle International, is the various processes for nurturing the right culture.

## **NURTURING THE CULTURE**

At Lifestyle International, several initiatives are undertaken to ensure that employees have multiple avenues and opportunities to raise their concerns, share their suggestions and give their opinions. The employees are free to walk in to anyone's room at any time and voice their suggestions. However, specific channels are designed to encourage them to do so actively and enable a formalization of a transparent system across the organization.

Connect over Coffee: Connect over Coffee are skip-level meetings organized at every career level across Lifestyle International. Employees meet with their skip-level managers in an informal setting and are encouraged to give their suggestions, opinions and share any grievances. Every year, more than 100 skip-level meetings are organized across the organization. This considerably improves transparency in teams and makes leaders more accessible

Open House: Open Houses are organized every quarter at the stores and Corporate office so that employees can have a direct conversation with their leaders. At the stores, Business Managers address store employees, while as at the Corporate office, the Managing Director and Executive Director address the gathering. Employees are given an update on the happenings around the company and questions are taken in an open forum. Employees are encouraged to ask any questions without the fear of any retaliation.

People Pulse: People Pulse is the internal engagement survey administered by an external third party organization. The survey encourages employees to voice their opinions and help in the growth and improvement of the organization. Through the survey, areas of improvement are identified every year in each of the teams. The teams \ together with their Managers come up with action plans to address these areas of improvement. This process is facilitated by Human Resources and helps in creating a workplace where employees themselves address improvement areas in collaboration with HR. This survey and process of improvement has been extremely successful in increasing engagement in the organization.

Landmark Way of Working: The Landmark Way of Working is the Code of Conduct that is followed across Lifestyle International Pvt. Ltd. However, instead of positioning the document as one of do's and don't's, the document has been positioned as a way of life. It encourages openness in all the company's dealings and sets very high standards of dealing with stakeholders which is the hallmark of Lifestyle International Group.

Whistle Blower Policy: The Whistle Blower Policy is a channel for employees to voice any unethical or questionable practices that they observe at the workplace. The employees' identity is kept confidential and an investigation is carried out on the observation. This helps to ensure that integrity and clean practices are always followed at the organization and employees help Landmark create such an environment.

Here to Help: Here to Help is an anonymous channel of grievance redressal where employees can send a mail to an email ID which is monitored by a committee of cross-function members. This helps in addressing any issues that employees may have that they do not feel comfortable speaking to their managers. It has helped to address several issues at the store level where employees are inherently more hesitant to speak about any issues.

Smiley Kiosk: A recent addition to the company's commitment to openness, is the Smiley Kiosk which was piloted at the Corporate office. The kiosk registers the happiness quotient in the organization. Based on the results of the kiosk, the happiness quotient is made a topic of discussion at the Open House, where employees will be asked how to improve the quotient.

Facebook@Work: Facebook@Work is one of the newest platforms that the company has introduced to encourage openness and transparency in the organization. Facebook@Work connects more than 10,000 employees of Lifestyle International across the globe and gives them easy access to the happenings at Lifestyle International across geographies. It also makes reaching the management easy, as employees can easily open a chat and speak to any leader across the Group.

Saturday Meets: At the store level, Saturday meets are organized between employees and business managers. This is a common forum to discuss the way forward and topics of common concern. The store HR also takes this opportunity to speak about any grievances that may have been reported.

## **A PERFORMANCE-DRIVEN CULTURE**

Landmark Development System: The Landmark Development System is an annual appraisal process that maximizes individual potential, increase effectiveness, expands employees professional opportunities and helps them contribute positively to the organization. It is a round the year process with sub-processes. *Dialogue* is an integral part of the process wherein employees and managers discuss performance, development and aspirations of the employee. The Landmark Development System not only assesses employees on their work but also on how they conduct themselves and carry out their work. Values have been incorporated into the system, and employees are assessed on value-based behaviors that they should be exhibiting at the workplace. This is a major component of their assessment as 12% of their appraisal is derived from values.

Maxelerate: To make the system fairer and strive towards a model where bell curve normalization is removed, Landmark is piloting a new model called Maxelerate with Senior Managers in the Max Business Unit. This new system is a segmented approach to performance management. Employees will be appraised 3 times during a financial year and their final rating will be an aggregate of the 3 appraisals. This is also a joint accountability model which ensures all teams work together and Key Effort Areas of each team are clearly defined. The segmented model ensures there is no perception error as an employee is being assessed on the most recent trimester. Through the pilot Landmark has seen an 15% increase in

exceptional performers in Max, which is in-line with the business performance. This system has been developed completely in-house, is a segmented approach to appraisals, with joint accountability of tasks amongst teams, clearly defined KRAs, and appraisal every trimester to remove perception errors. With the final appraisal being a weighted average of the scores across the three trimesters, the system has eliminated the need for bell curve normalization

The Maxelerate program designed by the Lifestyle International retail aims to align goals of the organization, the department and each and every employee. In setting common goals and ensuring fairness in appraisal such that there is no bias such as recency effects or Halo effects, communication and understanding of strategy at all levels becomes imperative.

The programs is aimed at solving two main problems –

1. The use of bell-curve in employee appraisals and
2. Creating joint accountability across department

Further, in days of rapid changes and uncertainties, it is important to provide employees an opportunity to experiment without fear of failure. Hence the need to give credit to real effort as well as results arises and proactive feedback system helps in the process. The innovation in this process is mainly the two additional steps added by the system – key Effort Area (KEA) and Joint Accountability.

For success metrics, the company focuses on – Attrition, employee engagement score and productivity.

The results of this program in terms of performance ratings indicated –

1. Moderate performers (Mostly meets expectations) reduced by 15%
2. Good performers(Meets all expectations) increased by 5%
3. Exceptional performers (Exceeds expectations) increased by 10%
4. Underperformers were identified and place on Performance improvement plan

Besides this

1. Fully engaged employees at the corporate increased by 5%
2. Disengaged employees reduced by 8%
3. Overall contributing employees increased by 7% and
4. Annual attrition reduced by 3.2%

Fast Mover Development Program: As part of developing high potentials and providing them with a career growth within the organization, Talent Segmentation is conducted across all roles in the organization. Landmark also has the Fast Mover Development Program which is the High Potential Program in the organization. Once high potentials are identified, an individual development plan is provided to these employees, they are provided mentors and personal attention is provided to their growth. In a competitive talent war in the retail sector, this program is essential to grow and retain future leaders. This year, out of 44 employees selected to go through assessments for this program, only 8 employees were identified as High Potentials, showcasing the stringent assessments of this program.

Landmark Education Assistance Program: At the Landmark stores, LEAP (Landmark Education Assistance Program) assistance is provided, which enables store employees to pursue further studies to help them move ahead in their career. The company has tied up with AIMA in 2016-17, to provide interested store employees with a Diploma in Retail Management which will be considered as eligible criteria for promotions internally. More than 500 employees across India have registered for the program.

Executive Learning Programs: Landmark offer employees Executive Learning Programs in collaboration with IIM Calcutta. This year more than 20 employees registered for a Leadership Management program from IIM-C.

## **A CULTURE OF APPRECIATION**

At Lifestyle International, while they believe in a performance-driven culture, they also believe in rewarding and celebrating achievements to inspire and thank their people. To this end, the organization has rewards and recognition programs at every level of the organization – at the Corporate, Region and Store levels. Some of these include:

Lifestyle People Oscar Awards and Max People Icon Awards: These are annual events where the best performers from across the organization are awarded for showcasing our values, contributing significantly towards business growth and most importantly creating a positive difference in the organization.

Clash of Icons: The Clash of Icons is a unique rewards and collaboration program piloted at the Max Regions and Stores. In this program, employees are divided into 4 cross-department groups and are evaluated on 9 Parameters that have business impact on Big Bills, Mystery Audit Scores, Customer Feedback Scores, Attrition in the Group, Productivity Score Card, Value Certificates Earned, Cheque

Leaves Earned, Participation in Engagement Activities, Planogram score, Max Magic Moments. Employees work together to ensure their group gets the maximum points based on these parameters. With this program it has been seen that employee productivity has grown by 13.7% and basket size has grown by 2.6%.

Make a Difference: Landmark also believes in giving a *pat on the back* whenever called for. The company believes in making appreciation instant, so that great work is recognized as and when it is exhibited. Hence the Make a Difference cards are readily available to managers to reward team members whenever great work is done.

Wincentive: The company believes, “Our employees help us be more successful”. Hence, when their bottom line grows successfully, the company uses a portion of the additional funds to increase the earning potential of our employees through a formal success-sharing initiative called Wincentive. Through this program, Lifestyle International rewards employees over and above their fixed salary on achieving business targets.

Long Service Awards: Landmark believes in creating opportunities for employees internally and helping them grow with the organization. Hence, whenever there are employees have been with them for more than 5 years, 10 years and 15 years, we celebrate this moment with Long Service Awards.

## **CELEBRATING AND REINFORCING VALUES**

At Lifestyle International, celebration is an important aspect of the way they work. They believe in engaging people and ensuring that they are happy to work with them in the Landmark Way. Every year the I Love Lifestyle™ campaign is run throughout the organization to reiterate reasons why they love to work with the Lifestyle International. It is also an opportunity to run a values campaign, as the core values and statement of purpose are at the heart of every decision that is made in the organization.

House Concept: This year, Lifestyle International has started a new system of engagement at the Corporate office, with the House Concept. Employees are divided into 4 groups - Summer, Spring, Autumn, Winter - and each group has a selected Captain and Mentor. With this new system, employees are driving engagement themselves by organizing and encouraging participation in events. The concept has also increased collaboration between Business Units.

Family Fiesta: Behind every successful employee at office, there is a support system that ensures that he/she can work at their highest potential. Hence, every year, Family Fiesta is organized to meet employees families and ensure that they have a good time to say thank you for being a part of the Lifestyle International family. During the event, employees' spouses and children are encouraged to showcase their talents, are part of fun games, and also have the opportunity to meet other families.

Kids and Spouse Day at Work: In addition to Family Fiesta, the company recently organized a Kids and Spouse Day at Work. This one time initiative was to give families that opportunity to see where their family member works and what they do. A tour of the office was given to all the families showing the various facets of fashion retail like design, buying, quality control and so on.

Retail Employees Day: Lifestyle international also believes in thanking its retail employees. On Retail Employees Day - 12 December - they have celebrations and activities across all our stores, offices and warehouses, because at the end of the day, its their people that make the difference and ensures that the company grows. On this day, store employees are welcomed to the store with a red carpet and various activities and performances are organized by the Store Managers to show their gratitude to their teams. This event is organized across all the more than 300 stores part of Lifestyle International.

Maxtravaganza: At the Max Regions, the company also has an annual bash for all store employees called Maxtravaganza. This event brings together entire region and employees get to spend a day out of the monotonous and stressful environment of stores.

Max Fashion Icon: Last year, the company organized a unique Fashion Event called Max Fashion Icon. At this event, employees from across all stores, regions and warehouses participated in regional Fashion Pageants before being selected to compete in all All India Finals at the Corporate office. The event saw more than 100 participants from across all the regions and stores.

Max Loves Music: The Company has planned a unique engagement activity this year called Max Loves Music. Employees get together, and are trained to create jingles by a professional music agency. Each region comes up with their best jingles which are then scrutinized to select the best. This activity not only brings employees together, but also increases pride in working for the organization.

The company also has other annual events like Landmark Premier League, Landmark Carrom, Badminton & TT Tournament and Diwali Dhoom, which are eagerly awaited by employees and are organized with much gusto and enthusiasm.

## **CULTURE OF INCLUSION**

In the retail industry it is extremely important to have all members feel as part of the team and hence an inclusive culture is invaluable. This is nurtured through the following programs –

Swabhimaan Program: As with the company philosophy, they strongly believe in creating a difference in the society. The Swabhimaan Program was one such initiative that the company believes has created a huge difference not just for People with disabilities but also for their own employees. The program has seen more than 300 people with disabilities being hired for various positions in the organization out of which more than 50 were hired during the last year, trained to perform their task and excelling at their job profiles. These employees have become an inspiration for every around them, and have boosted the morale of our frontline and Corporate staff.

Since retailing is tedious day to day operations job, learning is enhanced through innovative methods of learning through Engagement. Some interesting methods used are as follows -

Max Masterminds and Lifestyle Ka Genius: To ensure that training and development is effective, various innovative methods are used. The Max Masterminds and Lifestyle Ka Genius Quizzes are used to reinforce various aspects like SOPs, Values, and ways of working.

Project Runway: At the start of every fashion season, a program called Project Runway is run at stores, where store teams create seasonal fashion themes and present them to their colleagues and team members. This helps introduce them to new styles of the season.

Play in a Day: Play in a Day or Theatre Methodology has been very successful program, where various concepts related to business or soft skills, are explained to employees through theatre. Employees act out various scenarios and collectively learn new concepts.

Max Career Passport and LIFE Program: Lifestyle International has the Max Career Passport and Lifestyle LIFE program which are structured learning program for employees to develop knowledge and

skills through progressive training and grow up the career ladder based on their skills and career aspirations. Booklets are provided to store employees with their development plans for the year and the trainings and activities they need to complete to be eligible to move to the next positions. This ensures that a store employee, who otherwise would not have a clear idea of his career growth, is provided a clear path for his development within the organization. This helps in curbing attrition and also accelerates learning in employees.

Gamification: Gamification is another unique learning initiative especially for store employees. With a millennial crowd at our stores it becomes important to connect in ways that is relevant to the generation. Games are a great way to put across aspects of our work culture like values, ways of working and so on.

#### In house Facilities to create a great working environment

The company ensures that their employees have the best of benefits and services at the office campus. The facility includes an ATM to help employees take care of their bank transactions at work. The company facilitates a delivery service from SPAR, where employees can order their groceries online and have them delivered the same day. A doctor is available every day at office to ensure employees can get regular check-ups done without any hassles. Top notch crèche facility is available close to office to ensure that employees can work in peace when their children are well taken care of.

### **A CULTURE OF CONTINUOUS IMPROVEMENT**

The company believes in continuously improving, innovating and finding new ways to engage, retain and grow their employees. Strategy Meetings called Strategyms are held every year, to plan for the future, making small changes that can impact the lives of employees in a big way. These Retail Strategy Meets are attended by the Senior Management and all Retail Operations Managers and Departments Heads to ensure that the action plan for the year is holistic and takes into account all facets of Retail Operations.

Lifestyle's practices and processes have been recognized by various studies and institutions and the company believes that these recognitions are an acknowledgement of the work they currently pursue. However, the company continues to innovate and improve their existing processes and procedures.

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## **BUSINESS BUY-IN**

As a people intensive business, Lifestyle International Pvt. Ltd, believes that their strength lies in their people. The HR function is truly seen as an HR Enabler. A few examples of business involvement and buy-in for HR initiatives are program like Maxelerate, People Pulse and Fast Mover Development Program.

The above mentioned programs are just a few examples of how the HR function and the business work together and how people are at the very core of the company's DNA. Hence, the financial resources to implement such activities and programs are budgeted. With the realities of a nascent industry such as Retail and the core value of empowering people to strive and deliver, our HR activities have the complete buy-in and support of the business.

## **CONCLUSION**

Lifestyle International has been growing at a phenomenal rate and the HR activities and programs have been enablers in this growth. From being just a 2700 crore company in 2011-12, the company is now a 6000+ crore growing at a rate of over 25% CAGR. This growth has been supported by the HR function both in manpower planning as well as people development and engagement, while the headcount has grown by just 73%, the turnover of the company has grown by over 140%.

Some programs such as Assessment Centers, Internal Job Postings, High Potential Programs were created to ensure that we retain and develop internal talent. With retail being a nascent industry, there is a dearth of high quality talent. At Lifestyle International, we believe in developing our own talent and have been successful in doing so with more than 500 positions every year, this being closed by Internal Job Postings. This in addition to various other HR programs has helped them reduce attrition to 35.95 from 70.2% in 2011 and increased engagement to 81% from 59% in 2011.

HR program and activities have helped address business needs. Clash of Icons is a example of such a program, where the parameters for the awards are business drivers such as basket size, mystery audit scores, customer feedback scores, productivity scores, big bills and so on. This has incredibly improved our productivity.

An intensive people driven business such as retail requires a plethora of plans and programs to enable recruitment, training, retention, culture management, appraisal, developing pipeline and career paths etc. Lifestyle International has pulled together a series of programs to ensure that employees are handheld and nurtured from the time of induction to growth.