

MAN POWER PLANNING IN RETAIL SECTOR: AN EMPIRICAL EVALUATION

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ABSTRACT

The study was conducted in super markets, Chennai to find the effectiveness of human resource planning in retail sector. The study intends to see the human resource planning in different levels and how these boost the functioning of the store with a right enthusiasm. The study on effectiveness of human resource planning gives the management an indication of the level of satisfaction among the employees regarding the general working condition and the training that are provided by the organization. This helps the management to know where they are lacking manpower planning and can helps to train the employees to achieve the organizational objectives. The main objective of the study is to study the effectiveness of human resource planning and Training Requirements in retail sector with special reference to more supermarkets in Chennai. In this study all the discussions are evolved around labor Manpower Planning and Training Requirements of super markets in Chennai. The details of retail sectors such as objectives, functions and manpower planning and training methods are stated in this report. The data collected was analyzed using Simple Percentage method, weighted average method, f-test method, correlation and chi-square method and suggestions have been made for the effective growth of the organization.

KEYWORDS: Man power Management, Human resource Planning, job rotation, Retention and Recruitment

INTRODUCTION:

Manpower planning /HRP means deciding the number and type of the human resource required for each job, unit and the total company for a particular future date in order to carry-out organizational activities. Personnel management is productive exploitation of manpower resources. This is also termed as 'Manpower Management'. Manpower Management is choosing the proper type of people as and when required. It also takes into account the upgrading in existing people. Manpower Management starts with manpower planning.

Manpower planning/HRP involves two main concepts that is analyzing the current human resource and forecast the manpower. Manpower planning ensures optimum use of available human resources. Manpower planning offsets uncertainties and changes to the maximum extent possible and enables the organization to have right men at the right

place and in right time. It provides scope for advancement and development of employees through training, development. It helps to anticipate the cost of salary, benefits and all the cost of human resources, facilitating the formulation of budgets in an organization.

Manpower planning/HRP includes the following factors:

- Determining the numbers to be employed
- Retaining the highly skilled staff
- Managing effective downsizing program
- Where will the next generation of managers come from

By considering all the above factors a company can frame an accurate manpower planning procedure and can provide effective training programs for their unskilled and semi-skilled employees. In this study we are going through a famous retail outlet to study the effectiveness of manpower planning and training programs and the problems that are facing by the employees in the company and where the company need improvements.

About Retail sector:

The retail sector in India gathered a new momentum with the establishment of different international brand outlets, hyper or super markets, shopping malls and departmental stores. The organized retail segment in India is projected to be 9 per cent of total retail market by 2015 and 20 percent by 2020. Hypermarkets would be the largest retail segment, accounting for 21 percent of the total retail space by 2013-2014. India has one of the largest numbers of retail outlets in the world. The retail sector is experiencing exponential growth, with retail development taking place not just in major cities, but also in Tier-II and Tier-III cities. India's growing population and urbanization provides a huge market for organized retail. Growing economic prosperity and transformation in consumption pattern drives retail demand. India ranks fourth among the 30 countries that were surveyed in Global Retail Development Index and ranked sixth in the 2011 Global Apparel Index.

The retail sector has been at the helm of India's growth story. The sector has evolved dramatically from traditional village fairs, street hawkers to resplendent malls and plush outlets, growing from strength to strength. According to the Indian Council for Research on International Economic Relations (ICRIER), India is the seventh-largest retail market in the world, and is expected to grow at a CAGR of over 13% till FY12. In FY07 retail sales reached Rs 13,300 bn and amounting to around 33% of India's GDP at current market prices¹. According to the Central Statistical Organization (CSO) estimates, the total domestic trade (both retail and wholesale) constituted 13.0% of country's GDP in 1999-2000, which has gone up to 15.1% in FY07.

During the last few years, the Indian retail market has seen considerable growth in the organized segment. Major domestic players have entered the retail arena and have ambitious plans to expand in the future years across verticals, formats, and cities. For example, companies like Reliance, Tata, Bharti, Adani Enterprise, have been investing considerably in the booming Indian retail sector. Besides, a number of transnational corporations have also set up retail chains in collaboration with big Indian companies.

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 total Indian retail industry. However, going forward, the organized sector's growth potential will increase due to globalization, high economic growth, and changing lifestyle. Moreover, high consumer spending over the years by the young population (more than 31% of the country is below 14 years) and sharp rise in disposable income are driving the Indian organized retail sector's growth. Even small towns and cities are witnessing a major shift in consumer lifestyle and

preferences, and have thus emerged as attractive markets for retailers to expand their presence. Although the growth potential in the sector is immense, it is not without challenges that could slow the pace of growth for new entrants. Rigid regulations, real estate costs, high personnel costs, lack of basic infrastructure, shrinkage, and highly competitive domestic retailer groups are some such challenges. Additionally, resource constraints at shopping mall projects are also delaying completion and disrupting many retailers' entry strategies.

Major retail segments covered under the study:

Few fashion and accessories retailers

Pantaloons: The first Pantaloon store was opened at Gariahat in 1997 in 8,000-square-foot area. Over the years, the store has undergone several transitions. When it was launched, the store mostly sold external brands. Gradually, it started retailing an eclectic mix of external brands as well as private labels. Initially, it positioned itself as a family store targeted across age and gender groups but later it shifted its focus towards being a fashion store and gave more emphasis on the youth. As on Dec 2008, Pantaloons had around 44 stores spread across major cities in India.

Shoppers Stop: Shoppers Stop is one of the largest retailers in India. It primarily caters to the lifestyle segment and offers customers both domestic and international brands. The store recently revamped its branding by introducing a new symbol. Shoppers Stop has lifestyle retailing as its core housing brand across categories like apparels and accessories. The store operated at 26 locations in 12 cities as on Dec 2008.

Reliance Retail: Reliance Retail Ltd, a subsidiary of Reliance Industries Ltd, has an aggressive plan to expand its retail network across India. It entered the food and grocery segment in November 2006 through its convenience store format Reliance Fresh. The store offers a range of fruits, vegetables, personal care, home care and kitchen utensils. It focuses on building a strong relationship with the agri-business value chain and sources directly from wholesalers

OBJECTIVES OF THE STUDY:

- ❖ To analyze the effectiveness of human resource planning in Retail sectors.
- ❖ To ensure optimum use of human resources currently employed in retail outlets.
- ❖ To assess or forecast future skill requirements of Human Resources in retail sector.
- ❖ To provide control measures to ensure that necessary resources are available as and when required.
- ❖ To obtain and retain the quantity and quality of human resources it needs in retail sectors.

SCOPE OF THE STUDY

In this study we cover **three retail industries in Chennai city namely shoppers shop, Pantaloons and Reliance Retail**. The study analyzes an effectiveness of HRP and makes sure that whether the retail sectors have sufficient human resources. The study mainly covered the focus group opinion that is generalizing the opinion of a relatively small number of respondents.

REVIEW OF LITERATURE

Ozay Mehmet,(1972), examined the Manpower planning/HRP and labour markets in developing countries. *He* argued that disaggregated manpower research, focused on current problems and conditions in employment markets, and would be far more useful to economic development policies than the sort of abstract macro-planning aimed at forecasts of long-term manpower requirements which has been highly fashionable during the last decade. He found that institutional and economic factors peculiar to that country have resulted in three ‘insulated’ labor markets, one each for Malays, Chinese and Indians, with practically no mobility of labour across insulated markets, even in widely divergent supply-demand conditions.

Harvey Kahalas,Wayne.E.Leininger, 1976 observed the manpower planning /HRP model for organizational effectiveness. He argued that micro-manpower planning is finally beginning to emerge as a process for helping individuals and firms to play an active role in developing integrated approaches and facilitating interrelationships within an organization. He found that the Markovian process can be viewed as a relevant modeling technique even with the constraints.e recommended that policy decisions which would be made based upon the interrelationships of the personnel and industrial relations departments and the firm's technical core

Margaret Slater, 1980 examined the Manpower planning/HRP and research. He pointed out that the best entry point or initial approach to manpower planning is via term-definition. He had further pointed out that we should also keep this term-defining concept in mind whenever we think, talk, or write about the subject, because the very label manpower planning in itself is ambiguous and capable of multiple interpretations. He found that an encapsulated description—indicative rather than precise of a faceted discipline or multi-disciplinary field. He recommended that as an activity it has four broad aspects: stocktaking analysis; forecasting; planning and policy making; implement.

Trevor Wegner, 1985 designed a discrete simulation modeling for corporate manpower planning, Africa. He pointed out the impact on organizational staffing levels over time as result of specific present or proposed manpower policies in the areas of procurement and promotion. He found that manpower planners in south African companies have very few, if any decision support tools at their disposal to assist them in the formulation of their manpower strategies such as quantitative tools as do exist are mathematically too sophisticated to be easily understood and implemented by manpower managers who are, on the whole , non numerate. He suggested that through manipulating the inputs, the manpower planner can, with relative ease, examine the consequences of a range of alternative policies within a very short period of time.

Sally mcClean, 1991 estimated the Manpower planning /HRP models. He pointed out that Manpower planning models are essential tool for the modern manager. Such models may describe the constituent components of the manpower system. He found that it is often more useful to look at the manpower system as a whole using a variety of methods such as the Markov renewal theory and semi-marker models. Estimation of the parameters of such models, for sampling frames appropriate to computational aspects of the problem. He recommended that the use of a Markov-chain formulation which implements the mathematically intractable semi-Markov approach by means of non-parametric estimation procedure is needed.

Institute of manpower studies, 2003, reviewed the Corporate manpower planning/HRP models. They pointed out that Manpower planning has achieved maturity during the past decade. Personnel practitioners have become conversant with the analysis of

manpower systems, the use of quantitative techniques, and have developed a sound approach to the whole question of manpower management. He found that the practical relevance of existing models concentrates on techniques for evaluating manpower supply and career management problems, distinguishing especially between the roles played by exploratory and normative models. They suggested that management scientist's realistic appraisal of current practice and provide pointers as to where developments are most needed.

Hyun Park, Sang M. Lee, Seong No Yoon, Seung-Jun Yeon, 2008 analyzed the dynamic manpower forecasting/HRP model for the information security industry. They developed an integrated model for manpower forecasting for the information security (IS) industry, one of the fastest growing IT-related industries. They incorporated three critical factors (feedback structure, time lags, and a flexible saturation point) in a system dynamics (SD) simulation frame. They found that the simulation results showed an overall IS manpower shortage in the IS industry. Policy alternatives were proposed based on the simulation results. They suggested that the simulation model can rerun to reflect the various alternatives to achieve a stable manpower balance between demand and supply.

RESEARCH METHODOLOGY

RESEARCH DESIGN

In this research study comes under the descriptive research. The objectives of the study determined during the early stages of the research are included in the design to ensure that the information collected is appropriate for solving the problem.

NATURE OF DATA

Primary data

The primary data are collected from the Employees through a direct structured questionnaire. For this study the Primary data were obtained through Observation, Direct Interview and Telephone contact with the Branch Manager.

Secondary data

In this study the secondary data were obtained from Company profiles, websites, magazines, articles and those details are used widely as a support to primary data.

SAMPLING SIZE AND TECHNIQUE

In this study 150 employees of retail sectors was selected as size of sample. And simple random sampling method was used.

STATISTICAL TOOLS USED:

1. Percentage Analysis
2. Weighted Average Method
3. Chi-Square Analysis
4. F-test and
5. Correlation

DATA ANALYSIS AND INTERPRETATION: Demographic Variables

Variables	Factors	Frequency	Percentage
AGE	Below 25	32	21.3
	25-35	51	34
	35-45	57	38
	Above 45	10	6.7
Total		150	100
Designation of the respondents	Store Manager	10	7
	Supervisor	10	7
	Customer Service Associate	88	58
	Management Trainee	42	28
Total		150	100
Qualification	Below Graduate	34	23
	Graduate	40	27
	Post Graduate	53	35
	Professional	23	15
	Below Graduate	34	23
Total		150	100
Annual Income (in lakhs)	Less than 1	76	51
	1-2	38	25
	2-3	21	14
	Greater than 3	15	10
Total		150	100
Opinion(experience)	Yes	47	31
	No	103	69
Total		150	100
Gender	Male	130	87
	Female	20	13
Total		150	100

Source: Primary Data

From the above table it is clear that most of the employees in the retail sector belong to the age group of 35-45, Most of the employees are working as customer service Associate;35% of the employees are Post Graduates, Most of the employees have an annual income which is less than one lakh, 31% of the employees have the work experience in some

other retail sector where as 69% of employees doesn't have the work experience in other retail sector and majority of the employees belongs to the male gender.

Table No: 1 Simple percentage analysis

Variables	FACTORS	Frequency	Percentage
Motivating factor	HR policies	9	6
	Work Environment	25	17
	Higher Salary	5	3
	Higher Incentives	21	14
	Career Growth	59	39
	Job Security	31	21
	Total	150	100
Mode of Recruitment	Personal Interview	108	72
	Reference by Staff	14	9
	Selection through outside agencies	22	15
	Others	6	4
	Total	150	100
Employees are over loaded with work(opinion)	Strongly Agree	26	17
	Agree	48	32
	Disagree	45	30
	Strongly Disagree	31	21
	Total	150	100
Job rotations provided make to perform well(opinion)	Strongly Agree	47	31
	Agree	78	52
	Disagree	22	15
	Strongly Disagree	3	2
	Total	150	100
Proper training is provided after recruitment(opinion)	Strongly Agree	45	30
	Agree	64	42.7
	Disagree	29	19.3
	Strongly Disagree	12	8
	Total	150	100
Knowledge sharing makes to perform well(opinion)	Strongly Agree	39	26
	Agree	88	59
	Disagree	17	11
	Strongly Disagree	6	4
	Total	150	100
Conducting career development programs(opinion)	Strongly Agree	27	18
	Agree	40	27
	Disagree	56	37
	Strongly Disagree	27	18
	Total	150	100
Satisfactory level of present manpower planning(opinion)	Yes	67	45
	No	83	55
	Total	150	100

Source: Primary data

From the above table reveals that Career Growth is the motivating factor for 39% of the employees and Job Security is the motivating factor for 21% of the employees. Career Growth is the motivating factor for most of the employees. Personal Interview is the mode of recruitment for 72% of the employees. 17% of the employees are strongly agreeing with the statement that they are overloaded with the work, 32% of the employees are agreeing with the statement. 52% of the employees are agreeing with the statement that job rotations provided make to perform well. 42.7% of the employees are agreeing with the statement that the company is providing proper training after recruitment. 59% of the employees are agreeing with the statement that knowledge sharing makes to perform well. 37% of the employees are disagreeing with the statement that the retail sector is conducting career development programs for employees. 55% of the employees are dissatisfied with the present manpower planning of the retail sector

Table 2 Weighted Average Method

Factor	Highly satisfied	Satisfied	Dissatisfied	Highly Dissatisfied	Weighted Average
Employees opinion about retail sectors leave policy	27	39	25	9	29.6
Employees opinion about right person for right job	34	49	12	5	32.7
Employees opinion about present recruitment policies	30	42.7	19.3	8	30.7

Source: Primary data

From the above table it can be inferred that the weighted average of 29.6 reveals the respondents indents that the leave policy adopted by the retail sector was satisfied, 32.7 reveals the respondents are strongly agreeing with right job for right person and 30.7 reveals jthat the respondents are satisfied with the present recruitment policies.

CHI-SQUARE ANALYSIS

Table 3

Training after the recruitment and satisfactory level of recruitment policies and procedures of the retail sector

Hypothesis

H₀: There is no significant relationship between training after recruitment and satisfactory of recruitment policies and procedures

H₁: There is a significant relationship between training after recruitment and satisfactory of recruitment policies and procedures

Table value = 16.92 for 9 degree of freedom and 5% level of significance

Calculated value = 48.86

It can be inferred that the calculated value is 48.86 and is greater than tabulated value 16.92. Therefore null hypothesis (H₀) is rejected. So there is a significant relationship between proper training is provided after recruitment and satisfactory level with the present recruitment policies and procedures.

TABLE NO: 3.1

Sufficient staffs to carry out all activities and employees are overloaded with the work

Null Hypothesis (H0):

There is no significant relationship between the retail sectors has sufficient staff to carry out all activities and employees are overloaded with the work

Alternate Hypothesis (H1):

There is a significant relationship between the retail sectors has sufficient staff to carry out all activities and employees are overloaded with the work

Table value = 16.92 for 9 degree of freedom and 5% level of significance

Calculated value = 32.45

Table value is less than the calculated value. Therefore null hypothesis (H0) is rejected. So there is a significant relationship between the retail sectors has sufficient staff to carry out all activities and employees are overloaded with the work.

F-Test

Table No: 4

Knowledge sharing makes to perform well and job rotations provided make to perform well

Ho: Knowledge sharing and job rotation are not having the same variance

The value of F at 5% level of significance for $V1=3$ and $V2=3$ is 9.28

Factors	CV	DOF	TV	Criteria	Result
Recorded level of knowledge sharing and job rotation	.79	$V1=(n1-1)=3$ $V2=(n2-1)=3$	9.28	$CV < TV$	Accept Ho

Since the calculated value of $F = .79$ which is less than 9.28, the ratio is insignificant at 5% level of significant and as we accept the null hypothesis. It is inferred that there is no significant relationship between variability of two samples (knowledge sharing with job rotation).

Table No: 4.1

Replacing period for the place of resigned employee with managing the staff when one staff is on urgent leave

Ho: Replacing period for the place of resigned employee and managing the staff when one staff is on urgent leave are not having the same variance

The value of F at 5% level of significance for $V1=3$ and $V2=3$ is 9.28

Factors	CV	DOF	TV	Criteria	Result
Recorded level of knowledge sharing and job rotation	.83	$V1=(n1-1)=3$ $V2=(n2-1)=3$	9.28	$CV < TV$	Accept Ho

Since the calculated value of $F = .83$ which is less than 9.28, the ratio is insignificant at 5% level of significant and as we accept the null hypothesis. It is inferred that there is no significant relationship between variability of two samples (Replacing period for the place of resigned employee with managing the staff when one staff is on urgent leave).

Table No: 5 Correlation Method

Relationship between pay roll is up to work load and employees are overloaded with work

Null Hypothesis (H₀):

There is no linear relationship between the pay roll and work overloaded

Alternative Hypothesis (H₁):

There is a significant relationship between the pay roll and work overloaded

Pay roll is up to work load (X)	Employees are overloaded with work (Y)
39	47
88	78
17	22
6	3

Source: Primary data

Co-efficient of correlation (r) =

$$r = \frac{n(xy) - (\sum x)(\sum y)}{\sqrt{n\sum x^2 - (\sum x)^2 * n\sum y^2 - (\sum y)^2}}$$

X	X ²	Y	Y ²	XY
39	1521	47	2209	1833
88	7744	78	6084	6864
17	289	22	484	374
6	36	3	9	54
150	9590	150	8786	9125

$$\begin{aligned}
 r &= \frac{4(9125) - (150*150)}{\sqrt{(4*9590)-(150)^2*(4*8786)-(150)^2}} \\
 &= \frac{36500-22500}{\sqrt{(38360-22500)*35144-22500}} \\
 &= \frac{14000}{\sqrt{(15860*12644)}} \\
 &= \frac{14000}{14160.99} \\
 &= .99
 \end{aligned}$$

The above table denotes that the relationship between working time and the compensation of the work done. Since the correlation value (r) is 0.99, we can assume that the pay roll and work over loaded are positively correlated. So the alternative hypothesis is accepted.

FINDINGS:

- In the study reveals that the most of the employees in the retail sector belong to the age group of 35-45
- Majority of the employees are working as customer service Associate;35% of the employees are Post Graduates
- Most of the employees have an annual income which is less than one lakh
- 31% of the employees have the work experience in some other retail sector where as 69% of employees doesn't have the work experience in other retail sector and majority of the employees belongs to the male gender.
- The Career Growth is the motivating factor for most of the employees,
- Personal interview is the mode of recruitment for most of the respondents
- Most of the employees have an opinion that they are overloaded with the work
- Majority of the employees are agreeing with the statement that the retail sector is providing proper training after recruitment
- Most of the employees are agreeing with the statement that job rotation provides make to perform well
- Majority of the respondents are agreeing with the statement that knowledge sharing makes to perform well
- Majority of the Employees are disagreeing with the statement that the retail sector is conducting career development programs for employees
- Most of the employees are dissatisfied with the present manpower planning of the retail sector.
- The weighted average of 29.6 reveals the respondents indents that the leave policy adopted by the retail sector was satisfied, 32.7 reveals the respondents are strongly agreeing with right job for right person and 30.7 reveals that the

respondents are satisfied with the present recruitment policies of the company retail sector

- There is a significant relationship between proper training is provided after recruitment and satisfactory level with the present recruitment policies and procedures
- There is a significant relationship between the retail sector has sufficient staff to carry out all activities and employees are overloaded with the work.
- There is no significant relationship between variability of two samples (knowledge sharing with job rotation).
- There is no significant relationship between variability of two samples (Replacing period for the place of resigned employee with managing the staff when one staff is on urgent leave).
- The relationship between working time and the compensation of the work done. Since the correlation value (r) is 0.99, we can assume that the pay roll and work over loaded are positively correlated. So the alternative hypothesis is accepted.

SUGGESTIONS:

- Salary package of the employees doesn't satisfy the standard of living of the employees therefore retail sector has improve the salary package
- Most of the employees have not enough experience in this sector, so that the retail sector needs to provide more training programs for the employees
- Career growth is the motivating factor for most of the employees therefore need of evaluation program is necessary
- Retail sector needs to improve the forecasting of the manpower planning/HRP, so that sector have sufficient staff to carry out the day to day activities
- Continuous analysis of the retail sector helps diversification and expansion of the business. Through manpower planning, human resources can be readily available and they can be utilized in best manner.
- Retail sector can retain its employees by providing better salary package, better training programs and assigning adequate work load for the employees

CONCLUSION:

From this study it is crystal clear that the retail sector mainly focusing on offer best service to the customers by satisfying the employees. Human resource Planning plays a vital role in Human Resource activity of an organization. Human Resource is an asset to every organization. Manpower planning/HRP mainly involves determining the needs and supply of human resource and the available sources. The study on effectiveness of human Resource planning helps the retail sector to know the satisfaction level of manpower planning by the company. We can infer that the organization should make Manpower Planning/HRP in such a way that it should satisfy both organization and employer at a higher level. It result in creating working environment and maintain better employee and employer relationship.

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