

A Study of the Impact of People Management in Service Marketing: With Special Reference to Organized Retail

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Abstract: Present study is a cross-functional, exploratory study of people management practices in service firms for achieving excellence in service marketing. It is important to study people management as human resources are considered to be very much important to deliver high quality service products. A structured questionnaire with almost 120 respondents has been used to conduct the study.

Index Terms - People management, service marketing, service products

I. INTRODUCTION

The ways in which excellence can be achieved through people management practices in service firms is of significant to practitioners. There can be many ways through excellence is pursued. It will depend upon market in which a firm is operating and kind of product it offers. People management is used to refer to those activities conducted in order to attract and coordinate human resources as they are considered the most important resources in service organizations. People management means strategies, practices and systems that influence employees' behavior, attitudes and performance. Conventionally, the human resource management function was known as personnel department. Now, human resources are recognized as an important factor for development of competitive advantage of the service organization. If a firm successfully develops suitable human system, it can be of huge advantage in the service sector. It has often been considered that the most important asset of any business is its employees. Certainly, people and the management of people have become distinctive factor of competitive advantage (Pfeffer, 1998; Boxall & Purcell, 2003; Allen & Wright, 2007). In services it becomes very much important as people are part of service offering, due to distinct nature of services as compared to goods. Modern view gives more importance to human resources as a source of competitive advantage, which cannot easily be acquired or imitated, as compared to other factors like economies of scale, management of investments regulations prevailing on competition. The production capacity enhancement, management of capital and technology are factors that are available to competitors also. As the other factors like production processes, policies of business, technology can be developed by competitors; the real advantage can be created through people that form the organization. Although all the organization can hire people, but the blending of culture and intellectual capital of the company cannot be copied. So, Organizations are trying to devise measures on management of people in such a way that they create distinctive capabilities of the organization so that business results are leading as compared to competition. (Dyer & Reeves, 1995). Much of it focuses on organizational-level studies using large-data-set analysis to study the relationship between HR interventions and measures of organizational performance. The assessment of this performance is based on profitability, return on assets and sales performance, when these results are favorable, the business is considered successful.

Objectives of the study

1. To discover the importance of people management in service marketing.
2. To find the opinion of respondents about people management techniques.
3. To evaluate the extent to which the use of people management techniques affects the customer satisfaction in service industry.

Limitations of the Study

1. This study is conducted only in Bhopal city.
2. Gathering information from the respondents was quite tricky as the opinion of the respondent may be biased.

Hypotheses

- H₁: There is a significant impact of human resource practices on Service marketing excellence.
H_{1a}: There is a significant impact of selection on Service marketing excellence.
H_{1b}: There is a significant impact of roles and responsibility on Service marketing excellence.
H_{1c}: There is a significant impact of training on Service marketing excellence.

H_{1d}: There is a significant impact of reward on Service marketing excellence.

H_{1e}: There is a significant impact of compensation on Service marketing excellence.

LITERATURE REVIEW:

In the doctoral thesis, Robert Matthew Wapshott adapted Pennings and Goodman's (1977) framework to analyze nature and impact of people management practices and organizational effectiveness in the service organizations. Authors' research findings highlights the variety of internal and external influences, and their impact, upon HRM within firms. The study reveals that there is a variety of policies and practices relating people management operating at each of the focal firms. The aspects under study were a) organizational performance and effectiveness; b) Recruitment and selection; c) Training and Development; d) Reward and recognition and e) system of Performance management.

Robert Matthew Wapshott, in his PhD Thesis, Studying the effectiveness of people management practices in small professional service firms, PhD Thesis, compared three selected professional firms and considered many factors of effectiveness of people management, these are: 1) Recruitment and selection, as a starting point to get the people management practices right. In the service firms selection of employees who can deliver and support services in professional firms is source of distinct advantage. 2) Training and development, is discussed in the light of system and extensiveness. Author discussed that the results of the firms in term of effectiveness is more positively associated with superior training and development practices. 3) Reward and recognition, aspect used to orient and motivate the service providing employees. Findings suggest that better application of this system results superior results of organizations. 4) Performance management and appraisal, acts as another tool to drive the performance of the employees.

Mohinder Chand, in paper, Human resource management practices in Indian hospitality enterprises: an empirical analysis, examine that demographic characteristics predict the people management practice set or not. It was also discussed the crucial nature of set of people management practice.

Malcolm et al, reports in "Impact of People Management Practices on Business Performance" that organization often quote employees as valuable resource which is most important, but in spite of that investment of resources, time and creativity in the people management is overlooked.

RESEARCH METHODOLOGY

People management practices in service firms for achieving excellence in service marketing needs to be identified and utilized. This study will pave a path of companies/organized retail, to utilize the set of people management practices that impacts service marketing.

Type of Research	Descriptive & Inferential
Sample Size	Against the 597 send questionnaires, 514 questionnaires were received from two cities i.e. Bhopal & Indore
Sampling Method	Non probability - Quota Sampling
Tools	Primary data: Questionnaire, Secondary data: books, journals, articles and periodicals including World Wide Web
Tests	Frequency analysis, Correlation, Regression, and ANOVA.

Data Analysis Sample Statistics

		Gender	Age	Income	Experience
N	Valid	514	514	514	514
	Missing	0	0	0	0
Mean		1.0798	2.0992	2.3755	2.5370
Std. Deviation		.27120	.88516	.60300	.99492
Skewness		3.111	.634	1.372	.327
Std. Error of Skewness		.108	.108	.108	.108
Kurtosis		7.710	-.184	.804	-1.098
Std. Error of Kurtosis		.215	.215	.215	.215

Overall Reliability

Cronbach's Alpha	N of Items
.851	6

ANOVA with Tukey's Test for Nonadditivity for People Management

		S.S	df	M.S.	F	Sig	
Between People		1709.833	513	3.333			
Within People	Between Items	69.200	5	13.840	27.778	.000	
	Residual	Nonadditivity	6.515 ^a	1	6.515	13.139	.000
		Balance	1271.451	2564	.496		
		Total	1277.967	2565	.498		
	Total	1347.167	2570	.524			
Total		3057.000	3083	.992			

Grand Mean = 3.6670

a. Tukey's estimate of power to which observations must be raised to achieve additivity = 2.511.

Demographic Analysis:

Gender of Respondents		Frequency	Percent	Cumulative Percent
Valid	Male	473	92.0	92.0
	Female	41	8.0	100.0
	Total	514	100.0	
Age of Respondents		Frequency	Percent	Cumulative Percent
Valid	Below 30	129	25.1	25.1
	30-40	254	49.4	74.5
	40-50	82	16.0	90.5
	50-60	49	9.5	100.0
	Total	514	100.0	
Marital Status		Frequency	Percent	Cumulative Percent
Valid	Unmarried	125	24.3	24.3
	Married	389	75.7	100.0
	Total	514	100.0	
Experience		Frequency	Percent	Cumulative Percent
Valid	Below 5	59	11.5	11.5
	5-10	251	48.8	60.3
	10-15	73	14.2	74.5
	Above 15	131	25.5	100.0
	Total	514	100.0	
Per Month Income		Frequency	Percent	Cumulative Percent
Valid	10000-20000	354	68.9	68.9
	20000-30000	127	24.7	93.6
	Above 30000	33	6.4	100.0
	Total	514	100.0	
Industry Wise Analysis		Frequency	Percent	Cumulative Percent
Valid	Hotel	239	46.5	46.5
	Retail	275	53.5	100.0
	Total	514	100.0	

From the Gender wise analysis it has been found that out of the total respondents, the maximum respondents selected were male (92 percent) while only 8 percent were female. From the Age wise analysis it has been found that out that the maximum respondents selected for the study are of the age group of 30-40 (49.4 Percent) followed by the age group of below 30 (25.1 Percent). According to their marital status it was found that the 75.7 percent respondents were married while 24.3 percent were unmarried. As per the total experience of respondents, revealed that the 48.8 percent of the respondents were having 5-10 years of experience followed by >15 years (25.5 Percent). As per the classification of the respondents income wise revealed that the 68.9 percent of the workers were having their income between 10000-20000 followed by 24.7 percent between the scale of 20000-30000 and very few having their income above 30000 per month. As per the classification of the respondents 53.5 percent respondents' surveyed were from Retail and the remaining respondents i.e., 46.5 percent were from Hotel industry.

From Hypothesis testing it has been found that the final Regression model with six independent factors (HR Practices, Selection, Roles and Responsibilities, Training, Reward and Compensation) entered because it has explained almost 69.7% of the variance of service marketing excellence factors. Also, the standard errors of the estimate has been reduced to 2.99533, which means that at 99% level, the margin of errors for any predicted value of service marketing excellence can be calculated as ± 5.8708468 (1.96×2.99533). The six regression coefficients, plus the constraints are significant at 0.001 levels. The impact of multi-collinearity in the factor is substantial. The Eigen value more than zero point one was the reason for including the factor in the equation.

Multiple Regression Analysis for People Management

Table: Descriptive Statistics

	Mean	Std. Deviation	N
Service marketing excellence	3.6103	.77720	514
HR Practices	3.5447	1.01208	514
Selection	3.8132	.91134	514
Roles and Responsibility	3.7354	.91128	514
Training	3.3930	1.02846	514
Reward	3.7257	1.14480	514
Compensation	3.7899	.87783	514

Table: Correlations

	Service marketing excellence	HR Practices	Selection	Roles and Responsibility	Training	Reward	Compensation
Service marketing excellence	1.000	.672	.621	.607	.544	.577	.666
HR Practices		1.000	.518	.550	.536	.489	.410
Selection			1.000	.431	.432	.437	.433
Roles and Responsibility				1.000	.560	.584	.437
Training					1.000	.499	.487
Reward						1.000	.534
Compensation							1.000

* All the values are significant at 1% level of significance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.672 ^a	.452	.451	4.03185	.452	422.057	1	512	.000
2	.744 ^b	.553	.552	3.64320	.101	116.064	1	511	.000
3	.777 ^c	.604	.601	3.43483	.050	64.880	1	510	.000
4	.781 ^d	.610	.607	3.41011	.006	8.421	1	509	.004
5	.791 ^e	.625	.621	3.34736	.015	20.262	1	508	.000
6	.837 ^f	.700	.697	2.99533	.075	127.425	1	507	.000

a. Predictors: (Constant), HR Practices

b. Predictors: (Constant), HR Practices, Selection

c. Predictors: (Constant), HR Practices, Selection, Roles and Responsibility

d. Predictors: (Constant), HR Practices, Selection, Roles and Responsibility, Training						
e. Predictors: (Constant), HR Practices, Selection, Roles and Responsibility, Training, Reward						
f. Predictors: (Constant), HR Practices, Selection, Roles and Responsibility, Training, Reward, Compensation						
ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6860.887	1	6860.887	422.057	.000 ^b
	Residual	8322.980	512	16.256		
	Total	15183.868	513			
2	Regression	8401.401	2	4200.700	316.486	.000 ^c
	Residual	6782.467	511	13.273		
	Total	15183.868	513			
3	Regression	9166.862	3	3055.621	258.994	.000 ^d
	Residual	6017.005	510	11.798		
	Total	15183.868	513			
4	Regression	9264.784	4	2316.196	199.177	.000 ^e
	Residual	5919.084	509	11.629		
	Total	15183.868	513			
5	Regression	9491.820	5	1898.364	169.424	.000 ^f
	Residual	5692.048	508	11.205		
	Total	15183.868	513			
6	Regression	10635.073	6	1772.512	197.561	.000 ^g
	Residual	4548.794	507	8.972		
	Total	15183.868	513			
a. Dependent Variable: Service marketing excellence						
b. Predictors: (Constant), HR Practices						
c. Predictors: (Constant), HR Practices, Selection						
d. Predictors: (Constant), HR Practices, Selection, Roles and Responsibility						
e. Predictors: (Constant), HR Practices, Selection, Roles and Responsibility, Training						
f. Predictors: (Constant), HR Practices, Selection, Roles and Responsibility, Training, Reward						
g. Predictors: (Constant), HR Practices, Selection, Roles and Responsibility, Training, Reward, Compensation						

Table: Coefficients^a

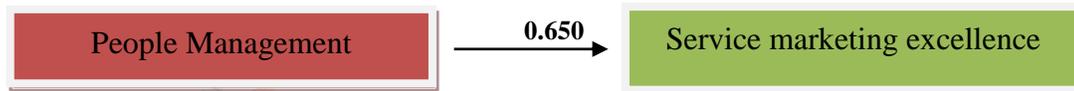
	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.464	.648		19.224	.000
	HR Practices	3.613	.176	.672	20.544	.000
2	(Constant)	7.664	.736		10.413	.000
	HR Practices	2.575	.186	.479	13.857	.000
	Selection	2.224	.206	.372	10.773	.000
3	(Constant)	5.123	.762		6.721	.000
	HR Practices	1.917	.193	.357	9.913	.000
	Selection	1.896	.199	.318	9.540	.000
	Roles and Responsibility	1.639	.204	.275	8.055	.000
4	(Constant)	4.940	.759		6.505	.000
	HR Practices	1.767	.199	.329	8.885	.000
	Selection	1.809	.200	.303	9.061	.000
	Roles and Responsibility	1.421	.216	.238	6.592	.000
	Training	.549	.189	.104	2.902	.004
5	(Constant)	4.779	.746		6.403	.000
	HR Practices	1.656	.197	.308	8.418	.000
	Selection	1.672	.198	.280	8.430	.000
	Roles and Responsibility	1.079	.225	.181	4.796	.000
	Training	.407	.189	.077	2.160	.031
	Reward	.762	.169	.160	4.501	.000
6	(Constant)	1.763	.719		2.452	.015
	HR Practices	1.602	.176	.298	9.099	.000

Selection	1.321	.180	.221	7.332	.000
Roles and Responsibility	.986	.201	.165	4.898	.000
Training	.006	.172	.001	.036	.971
Reward	.247	.158	.052	1.562	.119
Compensation	2.155	.191	.348	11.288	.000

a. Dependent Variable: Service marketing excellence

Result: Assessing Overall Model Fit

The final Regression model with six independent factors (HR Practices, Selection, Roles and Responsibilities, Training, Reward and Compensation) entered because it has explained almost 69.7% of the variance of service marketing excellence factors. Also, the standard errors of the estimate has been reduced to 2.99533, which means that at 99% level, the margin of errors for any predicted value of service marketing excellence can be calculated as ± 5.8708468 (1.96×2.99533). The six regression coefficients, plus the constraints are significant at 0.001 levels. The impact of multi-collinearity in the factor is substantial. The Eigen value more than zero point one was the reason for including the factor in the equation.



CONCLUSION

From the above study it can be concluded that people management is very much important in service marketing. By developing a better understanding of the elements of people management one can improve the overall service delivery process which ultimately improves organization-wide service excellence.

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