

A STUDY ON MANAGERIAL CHALLENGES AMONG HARDWARE RETAIL STORES

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Abstract

A retail business which individuals can buy home improvement items such as nuts screws, bolts, plumbing items etc. which is very hard in nature is selling through hardware stores can satisfy the customers as home construction as a dream of them. Also, a wide development in construction field causes a wide development in hardware industry. Due to its vast growth some challenges are also raising in its field. Hardware retail sector is a niche area which none is focused on. So, the study can say most about the managerial challenges that hardware retailers are facing. Only through proper management a business can achieve its success.

Keywords:- Hardware Stores, Retailing, Management, Challenges, Risk.

Entrepreneurship is the control and deployment of resources to create an innovative network of organizations for gaining growth under risk and uncertainty conditions. Lack of knowledge of current conditions, cause and effect and reactions to responses of others influences entrepreneurship of some people

(Dollinger & Lombard, 2008). Certain assumptions about business like assumptions about environment of organization, about specific mission of organization and about core competencies can make a business successful (Drucker, n.d.). Hardware stores came as a profit seeking business which exhibits environmental and social

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values through its products and services. These values affect economic sustainability of the store and also a motivational factor. At the initial stage meeting people's need while making 'reasonable profit' is a good strategy. Hardware stores should provide four main services.

They are tool pool-which allows customer to borrow tools, in-store service - which provides knowledge to the customers, handyman services to people who cannot repair something on their own and workshops to people to learn repair skills (Diehl et al., 2015) . Hardware stores sell hardware products like building materials, garden supplies, hand and power tools, plumbing supplies, house wares etc.

The primary customers of hardware retailers are DIY (Do-It-Yourself) customers. Also sells to contractors and property maintenance personnel (Profile America, 2013) . The earliest version of hardware stores during the middle Ages was known as ironmongers. They sold iron goods including tools, nails and horseshoes. After Industrial Revolution from the late 18th century the hardware stores were dramatically expanded by the introduction of new materials and manufacturing processes. By this the hardware stores began to sell varied products like timber, paint, plumbing supplies and electrical products. In DIY sector , digital technologies and resuting changes cause a massive impact on economic, political and social level. This challenge cause opportunities and threats. The new tecnologies were succesfully managing today may lead to massive problems in a society (Rode & Stammen-

Hegener, 2022). The influence of e-commerce and digital transformation cause a rethinking of how an organisation uses technology, people and process suitable to the new business models, changing customer expectations etc. Digital transformation creates opportunities and challenges for business organisations. M.R. DIY is the largest home improvement retailer in Malaysia as because of their competitive power (Kheng & June, 2023). Moreover the retail stores are facing much more problems than the large business.

Significance of the Study

Managing a business is a very crucial process which requires cautiousness, vigilance, care, knowledge etc. Also, it's most important to know the various challenges that may occur while managing the business. So, the study is significant to find various managerial challenges that the business man has to overcome in hardware stores. And thereby this will be very helpful to take business plans and thereby suitable decision making.

Scope of the Study

By the growing importance of understanding the complexities of managerial aspects of hardware retail industry, this study makes an analysis of various managerial challenges the hardware retailers are facing. The study focused among the hardware retail store owners for finding the influence of managers, their decision-making power, managerial functions like financial management, employee management and adopting management strategies in the business.

Statement of the Problem

Hardware stores regardless of size, volume, product mix and other physical characteristics, are known by its knowledgeable sales people, reputation and size of the firm. The hardware stores purchase from the full-line wholesalers, speciality distributors and directly from the manufacturers. One of the biggest challenges to hardware stores is from Big Box retailers, supermarket style stores called home centers. The pricing strategy of those were comparatively less with different products offered by hardware stores and lumberyards. Application of innovation and innovative techniques can improve the market. Inclusion of innovation, development of new products, customer satisfaction etc. can not only position the market but also create a knowledge-based market. In modern retail market innovation is a prerequisite for competitive gaining, knowledge-based society, reputation of the store and its brand and products and services.

All these say about the importance of proper management in hardware stores. So, the problem of the study is to find the various managerial challenges the hardware stores are facing and its influence while doing the various functions of business.

Review of Literature

Business management is considered as the vital part of total package for entrepreneurship development. For an effective business management there should be adequate planning and controlling strategies. The activities and programs should be directed and

coordinated to achieve the benefit of best business management practices (Kayode Bodunrin, 2014). The hardware retail stores can be move on by increasing the sales with the help of contractors. So better contractor relations can make the business a success and survive in the market. Setting up of operational plans, implementation of marketing strategies, competitive analysis etc. plays a vital role in managing the hardware stores (Manickum, 2023).

Proper inventory management can be very intelligent function the managers have to perform. Adopting various strategies in stock holding, cost management, better customer service, store management are various challenges of managing a business (Varley, 2001)

The performance level of organization as well as employees influences the future of business. Also hiring the skilled employees are difficult task of managers. Likewise poor communication between the staffs, employer employee relations, retaining customers also cause a long life of the organization (.Agostini et al., 2019).

Effective performance management system can support behavioral standards which describes what is expected from the employees. Setting up of development goals can improve the performance of employees. Better cooperation and interaction should be very important for effective management (Bucãpa, 2018) Employee turnover is a most fascinating and perplexing area of management. Employee turnover cause lack of employee continuity affects organizational stability and increase the recruitment and training cost (Vather& Vishnu, 2008).

Operational management and tactic knowledge management are some other challenges managers have to face. There is a high responsibility of employees to manage the customers. The administration of hardware stores is not only a responsibility of managers but employees also (Markku Vainio, 2021). Through a better inter organizational coordination; inter functional coordination and intra functional coordination, supply chain management can be done. It's relevant to control the supply chain cost for a better management function. Product flow management is also a key factor in managing the challenges of organization (Ballou et al., 2000)

Objectives of the Study

1. To find various managerial challenges of hardware retailing among hardware retail stores.
2. To find whether the challenges influencing the hardware retail stores.

Methodology

The study is done through the primary and secondary sources. For the study the primary data were collected through structured questionnaire by approaching the samples selected. The samples were selected randomly from among the population i.e. three districts were selected from each zone, south, central and north zones. As the data is normally distributed, as per the study the 200 samples were selected. The selected samples were then analyzed and mean value is found and the standard deviation from the mean is also analyzed. For the hypothesis testing, t-test is done. Secondary data were collected through

secondary sources i.e. from the journals, books, websites etc.

Hypothesis

H_0 - There is no significant relationship between the effect of managerial challenges and success of a hardware retailing business.

H_1 - There is significant relationship between the effect of managerial challenges and success of a hardware retailing business.

Data Analysis and Interpretation

The analysis of the data collected is shown in Table 1.

Findings and Suggestions

The data collected through questionnaire and Likert scale analysis is done and interpreted below One-sample t-test with MPS (Mean Percentage Score) is applied to test this hypothesis. This has been done by examining the various hardware retailers from the three zones.

A sample survey including 200 respondents was conducted and the MPS was ascertained on the basis of their opinion as per the five-point Likert scale (5-Strongly agree/ 4-Agree/ 3-Neutral stand/ 2-Disagree/ 1-Strongly disagree). Here the MPS was classified as Low if the MPS is 0-35, Average if the MPS is 35.1 to 50, Medium if the MPS 50.1 to 75 and High if the MPS is 75.1 to 100. Having conducted the test, it was found that the value pertaining to MPS was 69.06 (Table 1) showing 'medium' i.e. there is significant relationship between the effectiveness of artificial intelligence in business and success of an hardware retailing Thus the null hypothesis that there

Table 1
Analysis of Managerial Challenges

Variables	Mean	SD	MPS	t-value	p-value	Group
Setting up of business goal	3.76	0.185	75.2	17.211	<0.001**	Medium
Lack of Risk management strategies	3.20	1.137	64	0.046	0.963	Medium
Need of financial management	3.10	1.364	62	0.074	0.943	Medium
Ability for decision making	3.77	1.134	75.4	15.231	<0.001**	High
Performance evaluation of hardware store	3.72	1.253	74.4	14.648	<0.001**	High
Proper communication channel	3.69	1.165	73.8	11.912	<0.001**	Medium
Better financial institution relations and contractor relations	3.60	1.057	72	16.679	<0.001**	High
Advanced inventory management system	3.74	1.021	74.8	17.745	<0.001**	High
Employee performance evaluation	2.42	1.057	48.4	16.662	<0.001**	Average
Limitations of market research	3.53	0.848	70.6	22.329	<0.001**	High
Total	34.53	10.221	69.06	132.537	<0.001**	Medium

Source: Primary Data

are no significant relationship between the effectiveness of artificial intelligence in business and success of an hardware retailing is rejected and concluded that there exists significant relationship between the effectiveness of risk management strategies in business and success of a hardware retailing. So, the alternative hypothesis is accepted.

- In the case of setting up of business goal as a managerial challenge, the mean value is 3.76, standard deviation is 0.185, MPS is 75.2, t-value 17.211 and p-value <0.001. So, the result is Medium. Thus, setting up of business goal is a challenge while managing the

hardware store and influencing the success of business.

- Lack of risk management strategies, the mean value is 3.20, standard deviation is 1.137, MPS is 64, t-value 0.046 and p-value 0.963. So, the result is Medium. Thus, lack of risk management strategies is a challenge while managing the hardware store and influencing the success of business.
- Need of financial management, the mean value is 3.10, standard deviation is 1.364, MPS is 62, t-value 0.074 and p-value 0.943. So, the result is Medium. Thus, need of financial management is a challenge

while managing the hardware store and influencing the success of business.

- Ability for decision making, the mean value is 3.77, standard deviation is 1.134, MPS is 75.4, t-value 15.231 and p-value <0.001. So, the result is High. Thus, ability for decision making is a challenge while managing the hardware store and influencing the success of business.
- Performance evaluation of hardware stores, the mean value is 3.72, standard deviation is 1.253, MPS is 74.4, t-value 14.648 and p-value <0.001. So, the result is high. Thus, performance evaluation of hardware stores is a challenge while managing the hardware store and influencing the success of business.
- Proper communication channel, the mean value is 3.69, standard deviation is 1.165, MPS is 73.8, t-value 11.912 and p-value <0.001. So, the result is Medium. Thus, proper communication channel is a challenge while managing the hardware store and influencing the success of business.
- Better financial institution relations and contractor relations, the mean value is 3.60, standard deviation is 1.057, MPS is 72, t-value 16.679 and p-value <0.001. So, the result is high. Thus, better financial institution relations and contractor relations is a challenge while managing the hardware store and influencing the success of business.

- Advanced inventory management, the mean value is 3.74, standard deviation is 1.021, MPS is 74.8, t-value 17.745 and p-value <0.001. So, the result is High. Thus, advanced inventory management is a challenge while managing the hardware store and influencing the success of business.
- Employee performance evaluation, the mean value is 2.42, standard deviation is 1.057, MPS is 48.4, t-value 16.662 and p-value <0.001. So, the result is Average. Thus, employee performance evaluation is a challenge while managing the hardware store and influencing the success of business.
- Employee performance evaluation, the mean value is 3.53, standard deviation is 0.848, MPS is 70.6, t-value 22.329 and p-value <0.001. So, the result is High. Thus, employee performance evaluation is a challenge while managing the hardware store and influencing the success of business.
- Finally, the mean value is 34.53, standard deviation is 10.221, MPS is 69.06, t-value is 132.537 and p-value is <0.001. And the result is Medium. So, all these challenges are influencing the management and is significant for the success of hardware retail stores.

Suggestions

From the study it shows that it's challenging the managerial aspects while setting a business goal. So, hiring

experienced staffs and seeking professional expertise can manage the business much better. Because of hard nature in business especially hardware business with huge investment and late return, adopting suitable management strategies like analyzing market environment by appropriate methods, certain tools like SWOT analysis to be done, fostering communications and team collaborations for successful business is crucial. And proper inventory, finance and employee management can be done only by proper decision making which its impact will influence the business. Also, it's very important to maintain better relations with other financial institutions and contractors. Performance evaluation of business can control it and make corrective measures is necessary for a wide business future.

Conclusion

To conclude, gaining competitive advantage by product and service differentiation is challenging. Application of innovation and innovative techniques can improve the market. Inclusions of innovation, development of new products, customer satisfaction etc. can not only position the market but also create a knowledge-based market. In modern retail market innovation is a pre requisite for competitive gaining, knowledge-based society, reputation of the store and its brand and products and services. Open information sources, procurement of technology, and technical expertise, intra and inter sectoral cooperation between the company stakeholders are value added sources for development. On the basis of complexity, structure and impact of its action in time, innovation may be strategic or operational.

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