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Session Chairman:

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"Management and Productivity"

PERSONNEL MANAGEMENT PRACTICES OF FOOD RETAILING FIRMS

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Introduction

Most managers agree that employees are the business firm's most valuable resource. Effective management of this resource therefore provides one of management's greatest challenges and opportunities for improved profitability. Yet, all too frequently, industry managers have received their greatest training in other management areas. Furthermore, it is hypothesized that many managers utilize personnel management practices that are not conducive to the most effective development of the human asset.

Many factors are involved in effective human resource management including the firm's overall employment process. In the development of a food industry management training program on "Developing Human Assets Not Liabilities," three steps of this process were identified each with three components. These included:

1. Pre-employment activities--
 - a. Recognition of need
 - b. The job description
 - c. Candidate recruitment
2. Employment activities--
 - a. The application form
 - b. The interview process
 - c. The decision and selection

3. Developing employees--
 - a. Employee orientation
 - b. Employee training
 - c. Performance appraisal

To determine current personnel management practices of food retailing firms regarding selected aspects of the overall employment process, a survey was made of food retailing firms in two states where the training program was to be conducted. Over two hundred Florida and Wisconsin food retailing firms participated in this 1980 study. Some preliminary results of the study are reported here.

Survey Results:

	% <u>Yes</u>	% <u>No</u>
1. Does your firm have an employee manual-handbook?	38.6	61.4
2. Does your firm utilize job descriptions?	36.6	63.4
3. Is a completed job applicant form required for each prospective employee?	80.9	19.1
4. Are applicant references checked?	75.3	24.7
5. Are polygraph and/or other types of honest testing techniques used as a condition of employment?	28.4	71.6

	<u>%</u> <u>Yes</u>	<u>%</u> <u>No</u>
6. Do you have a formalized training program for:		
a. New employees	51.6	48.4
b. Checkers-cashiers	57.6	42.4
c. Baggers-courtesy clerks	44.2	55.8
d. Stock clerks	41.3	58.7
e. Dept. managers	39.4	60.6
7. Do you budget training monies?	16.3	83.7
8. Do you utilize a formalized employee evaluation program?	24.7	75.3
9. Number of employees?		
< 10	= 20.5%	
10-100	= 49.8%	
101-1000	= 24.6%	
> 1000	= 5.1%	
10. Average annual retail sales?		
< \$1 million	= 27.3%	
\$1-\$5 million	= 41.3%	
\$5-\$10 million	= 9.8%	
> \$10 million	= 21.6%	

ly accepted and proven personnel management practices. For example, less than forty percent of the firms had an employee manual/handbook and utilized job descriptions. Furthermore, nearly twenty percent of the retailers did not require a completed job application form. Possibly the biggest personnel management void occurs however, in the employee development stage as only sixteen percent of the firms budgeted training monies and less than twenty-five percent utilized a formalized employee evaluation program.

The opportunity for more effective management of the human resource in the food retailing industry appears to be substantial. As long as industry firms continue to operate at these determined levels of management sophistication regarding all three stages of the total employment process, employee and industry productivity will continue to lag and be significantly below achievable levels. As a result of current industry personnel management practices, the industry is not adequately developing its human assets.

Implications:

The survey data indicate that a relatively large number of food retailing firms do not as yet utilize general-

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