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A Study on Employee Attraction and Retention Strategies with Special Reference to Velavan Agencies

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Abstract: Inventory management is a critical component of any business organization. It is essential for controlling the stock of goods and services and ensuring that the right amount of resources is available to meet customer needs. Proper inventory management helps businesses to reduce costs, increase efficiency, and improve customer satisfaction. It allows businesses to optimize the use of their resources, including their financial resources, by ensuring that their stock of goods and services is used in the most efficient way possible. Additionally, effective inventory management helps businesses to track inventory levels, forecast demand, and plan production accordingly. This enables businesses to avoid stock-outs, reduce the likelihood of overstocking, and ensure the availability of goods and services when needed. In summary, inventory management is an important part of any business strategy and helps organizations to maximize the efficiency and effectiveness of their operations.

I.INTRODUCTION OF THE STUDY

Inventory management is a critical aspect of any business, particularly in manufacturing and retail industries. It plays a crucial role in ensuring that the right products are available at the right time, in the right quantity, and at the right price. Effective inventory management helps companies to optimize their operations, reduce costs, improve customer satisfaction, and increase profitability.

This study focuses on the importance of inventory management with reference to Hindusthan, a company based in India. The company operates in a highly competitive market and faces significant challenges in managing its inventory effectively. The study aims to analyze the inventory management practices of Hindusthan and identify areas for improvement.

II.STATEMENT OF THE PROBLEM

Velavan Agency is a leading distributor of Fast-Moving Consumer Goods (FMCG) in Erode, Tamil Nadu. The company is facing challenges in effectively managing their inventory levels, which is leading to overstocking or understocking of products. This is resulting in increased carrying costs, lost sales, and decreased customer satisfaction. The problem is exacerbated by the highly competitive nature of the FMCG industry and the need to meet customer demand quickly and efficiently. Therefore, the study aims to analyze the inventory management practices of Velavan Agency and to identify potential solutions to optimize their inventory levels, reduce costs, and improve overall efficiency in the delivery of their products.

III. OBJECTIVES OF THE STUDY

- To study the importance of the inventory management at velavan agency.
- To analyze whether a good inventory management increase the efficiency of the sales.
- To Know the software and technologies used to maintain the inventory in the company.
- To identify areas of improvement in inventory management processes.
- To analyse how records of inventory transaction helps in forecasting of demand



V. REVIEW OF LITERATURE

G Priniotakis (2018) Inventory management has become one of the key elements of the supply chain management and can greatly affect the performance of a business. The textile industry is no exception. Traditional approaches in decision making based on manager instincts and hunches are no longer enough in the today's increasingly competitive environment. Small to medium sized family owned textile businesses are usually prone to this way of thinking. This paper discusses some basic concepts and techniques for classifying inventory, controlling inventory levels, avoiding stock outs and increasing customer satisfaction. It also discusses the importance of forecasting demand and uses the Root Mean Square Error (RMSE) as an effective measure of the forecast error, which later becomes a basic driver for inventory management. It addresses the Service Level (SL) as a performance metric and emphasizes on the importance of Safety Stock (SS). Finally, it discusses the use of the Reorder Point (ROP) as an efficient indicator for triggering production replenishment and proposes a simple technique for prioritizing production orders.

Thomas C. Harrington (2019) Inventory control problems often result in record and physical count discrepancies which may ultimately lead to higher than preferred inventory levels. Conversely, accurate inventory records result in lower inventory investment and are the foundation for forecasting, ordering, tracking, vendor evaluation, and dead stock administration programmes.

Guidelines, based on general systems theory, to identify the presence of inventory control problems in both physical operations and information systems areas are presented. Next, procedures to correct control problems are discussed.

These include the formation of a permanent taskforce, corporate-wide education on the importance of record accuracy, and the development of a general management plan based on sound principles for effective inventory control. Recent experiences within a telecommunications company having inventory control problems are used as a case example to illustrate specific points.

Brent D. Williams (2018) The purpose of this paper is to provide a review of inventory management articles published in major logistics outlets, identify themes from the literature and provide future direction for inventory management research to be published in logistics journals. Articles published in major logistics articles, beginning in 1976, which contribute to the inventory management literature are reviewed and catalogued. The articles are segmented based on major themes extracted from the literature as well as key assumptions made by the particular inventory management model. Two major themes are found to emerge from logistics research focused on inventory management. First, logistics researchers have focused considerable attention on integrating traditional logistics decisions, such as transportation and warehousing, with inventory management decisions, using traditional inventory control models. Second, logistics researchers have more recently focused on examining inventory management through collaborative models.

E. Borgonovo (2008) In this work, we deal with the problem of establishing which parameters impact an inventory policy the most. A new sensitivity measure is introduced by relating the differential importance (D) and the comparative statics (CS) techniques. We discuss the properties of the new indicator, and show that it shares the additivity property. We provide the expression of for optimization models. Numerical results are offered for the sensitivity analysis of a recently introduced inventory management model. (2000) demonstrates that the application of these SA methods benefits both the modelling process and the utilization of model results. However, the use of importance measures in inventory management (IM) has not been fully explored yet. Applications of "what if" SA schemes can be found in the works of Ray and Sahu (1992), Ray and Chaudhuri (1997), and Arcelus and Rowcroft (1993). In these works, the sensitivity of the model results is tested for individual changes in the parameters. Ganeshan et al. (2001) study the sensitivity of supply chain performance to three inventory parameters. Perturbation analysis has been developed and employed in the works of Glasserman and Tayur (1995), Bogataj and Cibej (1994), and Bogataj and Bogataj (2004). As far as importance measures are concerned, a first application in IM is the one in Borgonovo and Peccati (2007) that introduces global SA methods to deal with uncertainty in parameters of IM models.

S. Afr. J. Ind. Eng (2022) Inventory is a central management function. It is a cornerstone of supply chain management and logistics in the material management system. Depending on the organisational objectives, inventories in warehouses may be needed to fulfil customer or humanitarian demands. Controlling inventory is critical to operational success and organisational performance. This research reviews inventory management concepts and implementations in the face of increasingly demanding human need. Demand is a critical variable in the inventory control system, and its characteristics affect inventory treatment. Important demand characteristics include its level of certainty, which could be deterministic (i.e., known with certainty) or stochastic/Bayesian (i.e., known but uncertain), and its structural dependency (i.e., independent or dependent).



VI. RESEARCH METHODOLOGY OF THE STUDY

Introduction:

Research Methodology describes the research procedure, which includes the overall research design and the data collection method.

Research Design

A research design is the specialization of measure and procedure for the information needed to solve problems in the overall operational pattern of Framework of the project that stipulates what information is to be collected from which sources by what procedure.

The research Design that is used by the investigator is descriptive Research design.

Descriptive Research Design:

The Descriptive Design is marked by the prior formulation of specific research problem. The investigator already knew a substantial amount of the research problem. The investigator should be able to define clearly what is that he/she wants to measure and to setup appropriate and specific means for measuring it.

Sample Design:

A sample design may be defined as a plan for obtaining a sample from a given population. It therefore refers to the technique or procedure the researcher would adopt in selecting item. We use Non-probability sampling in this sample design.

Sampling Techniques:

The researcher had made use of simple random sampling technique to collect data.

Simple random sampling:

In simple random sampling every respondent has equal probability of being selected.

In this method the subset of population is achieved through chance but without any logic.

Sample size:

The research has drawn 150 respondents as sample for these collections of data

7. Methods of Data Collection data Sources:

Data in the study are of two types:

- Primary data
- Secondary data

Primary Data:

Primary goal is original and collected by the researcher freshly. In this study primary data was collected through questionnaire. A questionnaire is a popular means of collecting primary data, & questionnaire is a list of question for the own.

Secondary Data:

Secondary data is the data, which is already available. It can be obtained through company records, internet and some data collected from the observation method by the researcher.

Tools for Analysis of Data:

- Simple Percentage Method.
- Chi-square Method.
- Ranking Method.

Simple Percentage Analysis:

A percentage analysis is used to interpret data by the researcher for the analysis and Interpretation: through the use of percentage. The data are reduced in the standard from which base equal to 100 which fact facility relative comparison.

$$\text{Percentage} = (\text{Value} / \text{Total Value}) \times 100$$

Chi-Square Test:

It is one of the simplest and widely used non-parametric test in statistical work. The quantity chi-square describes the magnitude of the discrepancy between theory and observation.

**8.Simple percentage method:****10. Do you agree that the inventory management is the backbone of the production.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	47	47.0	47.0	47.0
Agree disagree	12	12.0	12.0	59.0
Highly agree	21	21.0	21.0	80.0
Highly disagree	4	4.0	4.0	84.0
Neutral	16	16.0	16.0	100.0
Total	100	100.0	100.0	

9.Chi square:

H0: There is no significant relationship between the Experience of the Respondent and their opinion about How often do you manually track the raw material, Semi finished goods and finished goods in the inventory.

Alternative Hypothesis:

H1: There is a significant relationship between the Experience of the Respondent and their opinion about How often do you manually track the raw material, Semi finished goods and finished goods in the inventory.

Chi-Square Tests

	Value	df	Asymptotic Significance (2sided)
Pearson Chi-Square	33.632 ^a	12	.001
Likelihood Ratio	39.285	12	.000
N of Valid Cases	100		

Interpretation:

The chi-square test result indicates that there is a significant relationship between the experience of the respondents and their opinion about how often they manually track the raw material, semi-finished goods, and finished goods in the



inventory. The p-value of 0.001 (or 0.000 for the likelihood ratio) suggests that we can reject the null hypothesis and accept the alternative hypothesis that there is a relationship between the variables. This result implies that experience plays a role in determining how often individuals manually track inventory.

10. Findings

- The majority of respondents, 53%, had 1-4 years of experience, followed by 27% with less than 1 year of experience, 16% with 5-8 years of experience, and only 4% with 9-12 years of experience.
- 61% of the respondents were graduates, 19% had a post-graduate degree, 12% had a diploma, and 8% had completed only their schooling.
- The highest percentage of respondents, 43%, chose the neutral option when asked about their satisfaction with the current level of inventory management system, followed by 35% who were satisfied, 14% who were highly satisfied, 4% who were not satisfied, and 4% who were highly not satisfied.
- 47% of the respondents agreed that inventory management is the backbone of production, followed by 21% who highly agreed, 16% who were neutral, 12% who disagreed, and 4% who highly disagreed.

11. Suggestions

- Set up an inventory control system that tracks inventory levels, sales, and orders in real-time.
- Conduct regular audits of your inventory to identify discrepancies, such as overstocking or understocking.
- Use inventory forecasting tools to anticipate demand and adjust your inventory levels accordingly.
- Implement just-in-time (JIT) inventory management to reduce excess inventory and improve cash flow.
- Optimize your storage space by using vertical shelving, pallet racks, or other space-saving solutions.
- Set up a reliable vendor management system to ensure timely delivery of goods and minimize stockouts.
- Use barcode scanners or RFID technology to speed up inventory tracking and reduce errors.
- Train your employees on proper inventory management procedures and provide them with the necessary tools and resources.
- Implement a system for stock rotation to prevent spoilage or expiration of perishable goods.
- Continuously review and analyze your inventory management practices to identify areas for improvement and adjust your strategies accordingly.

VII. CONCLUSION

The effective inventory management is a critical aspect of running a successful business in Hindusthan. By managing inventory levels properly, companies can improve cash flow, reduce waste, increase customer satisfaction, and ultimately, achieve long-term success and profitability.

Effective inventory management involves tracking inventory levels, monitoring usage patterns, and ensuring that the right products or raw materials are available to meet customer demand. It requires careful planning and management, as well as the use of appropriate tools and techniques to optimize inventory levels.

Overall, businesses in Hindusthan must prioritize inventory management if they want to succeed in a competitive marketplace. By investing in inventory management practices and tools, companies can ensure that they have the right amount of inventory on hand to meet customer demand, while avoiding overstocking or understocking. This can lead to improved cash flow, increased customer satisfaction, and long-term profitability.



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