

## MAKING WORKING IN RETAILING INTERESTING: A STUDY OF HUMAN RESOURCE MANAGEMENT PRACTICES IN CORPORATE GROCERY RETAIL CHAINS

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### ABSTRACT

"...the things people said positively about their job experiences were not the opposite of what they said negatively about their experiences...."

- Frederick Herzberg

This paper examines the levels of motivation and satisfaction experienced by the employee in the independent retail sector. Portrayal upon Maslow's theory of motivation, the paper reports the results of sixty one qualitative interviews with staff. The structure of the retail labour markets is first examined. The paper then considers levels of job motivation and satisfaction. Both extrinsic and intrinsic factors are considered. The day-to-day interaction with customers, the level of responsibility held and working with fellow colleagues are all seen as positive aspects of the job. Alternatively, rude customers and unappreciated employers were held to be amongst the most negative factors. The paper includes with a discussions of these results.

**KEYWORDS:** motivation and satisfaction, retail employment, miniature business.

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### 1. INTRODUCTION

People want to do a good job. Employees don't leave work at the end of the day and say "I feel great! I did a lousy job today!" People want to excel and they are motivated to excel. The challenge is to release that motivation (Wiley 1992, p14).

Retailing continues to remain a labour-intensive industry, and a key to its competitive performance has been the successful motivation of staff. Within the academic community, there exists a plethora of different investigations that have examined workplace motivation and satisfaction. Such studies have not been confined to retailing, but have covered a wide range of different economic sectors. While research has included both the small business community and the retail sector, there has, to date, been little attempt to combine these elements and examine the

Factors that affect motivation and satisfaction in small retail businesses. In comparison to the larger organizations, there has been only limited research on employment relations within the independent retail sector. The major theories of job motivation, job satisfaction and labour

market development have focused primarily upon those retail businesses that have dominated the sector. It can be argued that, in the competitive environment of the 1990s, it remains valuable to identify employment issues which owners/managers in smaller retail organizations can directly influence and address. One such area is employee motivation and satisfaction. Due to the small number of persons typically employed in each business and the difficulty associated with gaining research access, such organizations have remained neglected. Within retailing, therefore, a lack of information exists on the composition of the labour market and the motivations of those who work in the independent sector.

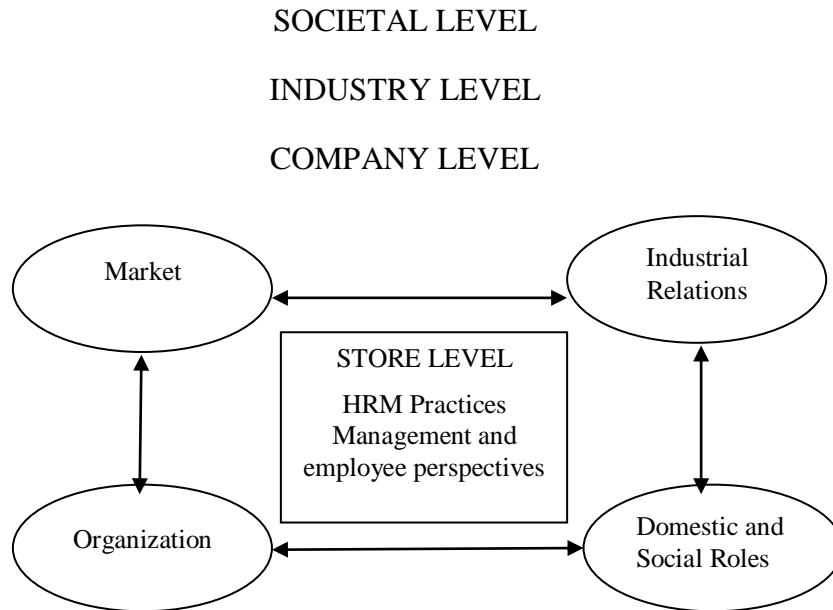
Despite the relatively small numbers of persons employed and the probability that each business will have its own specific problems, this research will attempt to identify common issues of motivation and job satisfaction. Dissatisfaction relating to hours worked and remuneration have already been shown to be characteristic of the retail sector (Craig and Wilkinson, 1985; Freathy and Sparks, 1994, 1995), and it will be an objective of this paper to highlight the extent to which these issues manifest themselves in small businesses. Identifying factors that remain common across a number of organizations, represents the first stage in assisting owners/managers to improve performance through increased employee motivation/satisfaction.

This paper has three objectives: first, it provides a detailed, labour market breakdown of who works in small retail businesses; second, it attempts to identify their motivations and the factors that satisfy those employees. In so doing the paper will finally put forward broad principles for employee development in small business.

## **2. ANALYTICAL FRAMEWORK FOR INTERPRETATION**

To structure our analysis and interpretation of HRM practices. We draw inspiration from the framework Baret et al., (1999) developed to explain differences in the organization of working time between large retail food stores in France, Germany and Great Britain. However, we take a broader, more explorative approach to study HRM practices than Baret and colleagues. Rather than limit ourselves to the organization of working time, we have adapted the framework by placing HRM practices, rather than organization of working time, at the centre (see Fig.1). Furthermore, to reflect that we do not limit ourselves to investigating market and organizational structures, we have made subtle changes to the naming of 'market' and 'organization' constructs in the framework.

**FIG.1 SOCIAL AND INSTITUTIONAL CONTEXT FOR HR MANAGEMENT PRACTICES**



Source: Adapted from Baret, Gadrey and Gallouj (1999:28)

The HRM practices of retailers are constructed through ongoing interactions between managers and employees (Baret et al., 1999). Four interdependent, but analytically distinct, socio-economic dimensions are assumed to influence HRM practices at the store and chain levels. The market dimension comprises market structure and institutionalized forms, norms and rules of competition, including whether retailers compete mainly on price or service quality (Baret et al., 1999). With regard to the industrial relations dimension, attention will be on the institutional framework constituted by labor market regulations, national and industry norms and collective bargaining agreements. The organizational dimension concerns the structure, technology and routines of the retailer. Relevant issues include the centralization of decision making or relative autonomy of stores and store managers, and technologies influencing the nature and content of jobs (Baret et al., 1999). The domestic and social roles dimension directs attention to the different roles employees play domestically and in the job market, including the domestic division of labour and job market participation. These four factors dialectically influence and are influenced by the HRM practices at the chain and store levels.

### 3. CHANGES IN THE SOCIAL AND INSTITUTIONAL CONTEXT OF CORPORATE GROCERY RETAILING

In this section, we use the analytical framework presented in the previous section to set the scene of for our case studies by discussing the social and institutional context of Corporate Grocery Retailing. The framework is used to structure our discussion of a number of inter-related developments that influence, or at least have the potential to influence, HRM practices and the nature of retail jobs in India. These developments include lean retailing, the emergence

of new information technologies, deskilling of many retail jobs, internationalization of retail chains, the growth of discounting and the increasing concentration of retail markets.

### 3.1 MARKET

The Corporate Grocery Retail Market is dominated by modern retail formats (discounters, supermarkets and hypermarkets). It is characterized by high horizontal concentration and discounters commanding a growing market share. All these developments have implications for the HRM practices of grocery retailers, as does the regulation of opening hours and planning restrictions. The growth of discounting, which is spurred by the entry and growth of foreign discount retailers, and the accompanying attention to low prices has contributed to a focus on reducing costs, not the least labour costs, throughout the grocery sector as has increasing retail concentration. Thus, corporate retailers today compete more on price than service quality.

### 3.2 ORGANIZATION

The increasing concentration of grocery retailing and the price-focused nature of competition have implications for retail organizations. As they have grown, decision making has become increasingly centralized in all major corporate grocery chains. In order to keep costs down, retailers have adopted lean thinking, which originated as lean production in car manufacturing, but has become a general philosophy of operational innovation (e.g., Hammer, 2004; Womack and Jones, 1994). Common themes in lean production are a focus on eliminating waste and reducing inventory and buffer stocks, moving production systems from a 'push' to a 'pull' approach based on customer demands and requirements, developing closer relationships with suppliers and the continuous improvement of work processes (Wright and Lund, 2006). Furthermore, proponents argue that the application of lean production entails the development of a multi-skilled, flexible and team-based workforce.

### 3.3 DOMESTIC AND SOCIAL ROLES

High female labour force participation is another important characteristic of the corporate retail labour market document that the it is characterized by large gender differences in relation to employment patterns, both horizontally (in terms of the sectors men and women work in) and vertically, as even in sectors in which female workers are in the majority (such as grocery retailing) men have a greater probability of being promoted to managerial positions.

RETAIL FORMATS IN INDIA	
Hyper marts	: 743.22 square metres and more (8000 square feet and more)
Large Supermarkets	: 325.16 – 464.52 square metres (3500 – 5000 square feet)
Mini supermarkets	: 92.9-185.8 square metres (1000-2000 square feet)
Convenience store	: 69.68-92.5 square metres (750-1000 square feet)

#### 4. CASE STUDY DESIGN AND METHODOLOGY

To study how retailers attempt to make low-wage store-level retail jobs interesting to current and potential employees, an exploratory multiple-case design was chosen. Studying a small number of cases is appropriate because this provides the detail and depth necessary to uncover major issues of relevance to retailers and employees, and reflects the lack of prior research on the HRM practices of grocery retailers.

##### 4.1 DATA COLLECTION

For each case, we visited three stores in order to develop a broad understanding of HRM practices of the chain. To a significant extent, the participating retail chains influenced or determined the choice of stores included in the study. There is thus a selection bias in the choice of stores, which means that generalizations are difficult to make. Indeed, our analysis of the empirical material suggests that we visited relatively well-run stores. Although several of our informants recounted negative work experiences these were, with very few exceptions, related to experiences from working in other stores or under other store managers.

In total 75 semi-structured interviews were conducted. Interviews were recorded or – in the few cases where this was not possible, either because informants refused or because of technical difficulties – extensive notes were taken by the interviewer either during interviews or immediately afterwards. Whenever practically possible, interviews were transcribed verbatim.

#### 5. CASE STUDY FINDINGS

One of the important findings of case study is that it is possible to distinguish between the three main types of store-level employees in Corporate Grocery Retailing. The three employee types differ significantly with regard to the role that their retail jobs play in their lives and the aspirations they have in relation to working in grocery retailing. Hence, it is useful to take the three main types of employees into account when trying to understand what retailers do to make store-level retail jobs interesting and how employees experience their jobs. In presenting our findings, we therefore begin by presenting our distinction between the three types of retail workers. Next we discuss how retailers try to make working in retailing interesting. In this connection we focus on what retailers do in relation to recruiting, retaining and developing

employees. Then we discuss how employees experience their jobs, identifying a number of factors that influence job satisfaction.

## 5.1 THREE TYPES OF RETAIL WORKERS

It is possible to distinguish between the three main types of employees in Corporate Grocery Retailing based on their motives and ambitions related to working in grocery retailing: (1) transitional workers, who do not envision a career in retailing and work only part-time or for short periods, (2) core employees, who typically work full-time and want a career in retailing but without managerial ambitions and (3) career seekers, who want a career in retailing and have managerial ambitions. These three employee types have disparate interests and aspirations.

Transitional workers, mainly students and youths under the age of 18 working part-time, comprise more than a quarter of the workforce in Corporate Grocery Retailing and are even more prominent in the jobs we studied. The transitional workers we interviewed are typically not interested in having a career in retailing. Their primary motivation for taking jobs as customer service associates or checkout operators is financial, i.e., to supplement allowances or student grants while going to college or while taking a sabbatical before travelling or enrolling in university. But although transitional workers are at least initially, mainly motivated by money, the social benefits they derive from working part-time in retailing are also very important. Informants thus stress the importance of having good colleagues that they get along with a work and can socialize with outside of a work context. Retailers and employees themselves arrange events such as bowling nights and parties to foster social aspects of work.

Core employees are the second type of checkout operators and customer service associates we encountered. Core employees are older than transitional workers and are typically women with children. Often core employees have worked in retailing for many years, but have no ambition of rising to a management position. Their superiors consider them to be stable employees who do a good job and they often train new recruits. Some of the managers we interviewed stressed the importance of having a small number of stable employees of this type because “they are carriers of our culture and guard our values and influence other employees without the store manager’s intervention”. In a sense they provide continuity and comprise the backbone of the store. For their part, core employees interacting with customers and colleagues like to work in retailing particularly, but do not want a managerial position. These workers are happy doing what they know well and typically have very family- friendly work schedules. This last point is important, as they put their family ahead of work. In the supermarkets we visited, there are typically only two or three core employees working since three or four years as senior customer sales associates out of a total of up to 40-50 customer sales associates (transitional workers). Nevertheless, these core employees play a central role in functioning the store in sound lines.

Finally, career seekers like to work in retailing and want to have a career in retailing. At store level, retailing is one of the few industries in India where it is still possible to get a career without having a formal education. Furthermore, it is possible to rise to managerial positions swiftly compared with other industries. Career seekers are motivated by the quite substantial



managerial responsibilities they are given and by opportunities for personal and professional development offered by their employers.

### 5.1.1 RECRUITMENT

Retail managers at different levels are very focused on finding people with development potential and an interest in a career in retailing. However, some HR managers lamented that grocery retail store is a place where people like to shop, but few people would like to work. Retailers are acutely aware that retailing has a negative image as a place to work and that this can, and does, impact their ability to recruit and retain the workers needed.

### 5.1.2 RETENTION

Retention is important for retailers because of the significant costs associated with recruiting and training new employees and due to the negative impact of employee turnover on organizational productivity. Nevertheless, employee turnover is a significant issue for grocery retailers, indicating that they have difficulties retaining workers. Turnover is particularly high among transitional workers, who often switch jobs frequently and regard employment in retailing as being attractive only in the short run. Although HR managers were generally not willing to divulge precise information about employee turnover, one informant said that annual employee turnover was about 90% for fewer than 18 year olds, 70% for supervisors and 20% for store managers. There are significant differences in staff turnover between stores and according to HR managers these differences to a large extent depend on how good the store manager is at recruiting and motivating employees.

### 5.1.3 DEVELOPMENT

"Management means helping people to get the best out of themselves, not organizing things."

- Lauren Appley

Retail chains have limited funds for HR purposes. In the retail chains we studied most resources are devoted to career seekers because HR managers stress the importance of producing a steady supply of store-level managers (department managers, assistant store managers, store managers, etc.,)

## 5.2 EMPLOYEE PERSPECTIVE

"The moment one gives close attention to anything, even a blade of grass it becomes a mysterious, awesome, indescribably magnificent world in itself."

-Henry Miller

Reviewing the literature on job dissatisfaction among retail employees, Whysall et al., (2009) identify several characteristics of retail employment that may be disliked and could lead to job dissatisfaction either independently or in combination: low wages and gender-based wage differentials, limited career progression for especially women, demands for flexible working

hours, long working hours, concern about stress levels, health and well-being of retail employees, and a tradition for short-term and/or part-time employment. However, despite the number of issues that could contribute to dissatisfaction among retail employees, in our study, informants of all three types of retail employees express high job satisfaction when interviewed. To understand why job satisfaction is high across employee types, our analysis suggests that it is necessary to consider several different issues, including wages, working hours, working conditions and social aspects of work. It is also important to take into account disparate motives and aspirations typical for the three groups of workers.

### 5.2.1 WAGES

“The world does not pay for what a person knows, but it pays for what a person does with what he knows.”

- Laurence Lee

Sr. Recruiting Specialist at GeoLogics.

While earning money is an important motivation to seek work in retailing in the first place, wages are not the main reason for the high job satisfaction reported by informants. It is common knowledge that food retailing is a low-wage area and therefore transitional workers and core employees have relatively low expectations with regard to their wages. Hence, wages were not a major cause of complaints in our interviews, although informants would of course like wages to be higher and some informants argued that transitional workers were willing to change jobs for even modest wage increases.

### 5.2.3 WORKING HOURS

“No fine work can be done without concentration and self-sacrifice and toil and doubt”.

-Woodrow Wilson

Long and irregular working hours are other issues that are often seen as potential sources of dissatisfaction (Whysall et al., 2009), and as contributing to retailing having poor reputation as a place of work. Although informants indeed report having long and irregular working hours, working early mornings, evenings, Saturdays and Sundays, our analysis suggests that one should be careful not to simplify the issue of working hours. First of all, there are relatively few employees in our target occupations who work full-time, which in India is 45h/week. Some informants indicated that stress was a serious problem, particularly for middle managers such as department managers or assistant store managers. Some core employees who had witnessed colleagues succumb to stress and not return to work used this as an explanation for their own lack of ambition. A middle manager reported that stress is not only a problem for career seekers, as even very young workers can suffer from stress because of the many conflicting demands and expectations they face and attempt to meet and reconcile (work, friends, studies, family, etc.). However, because informants always referred to others when talking about stress, this did not appear to influence informants' own job satisfaction.



## 5.2.4 SOCIAL FACTORS

“Alone we can do so little; together we can do so much.”

- Helen Keller

When discussing what they like about their jobs, our informants stressed the importance of having good colleagues repeatedly. This is consistent with previous studies that have found that companionship with fellow workers is a major aspect of job satisfaction in retailing (Broadbridge et al., 2000). On the one hand, it is important that workers can function together socially on the job. For instance, several informants emphasize that it is important to share a similar sense of humor as this contributes to a positive atmosphere among workers and enables them to cope with an often hectic and busy workday. On the other hand, it is important to many workers that they can meet with colleagues outside of work.

## 6. CONCLUSION

In this paper we have distinguished between three types of workers i.e., transitional employees, core employees and career seekers who have disparate motivations and aspirations with regard to working in grocery retailing. In order to be able to recruit, retain and develop the employees needed, retailers thus face a task of making retail jobs interesting to different types of employees. To make the working in retailing interesting retailers need to create some facilities like recreation, parties and picnics and provide medical benefits, and also keep some charts mentioning career path in retailing.

When any individual feels that there is clear cut career in the organization where he/she working may continue for longer period. Retailing is the emerging sector in the developing countries. We have observed that most of the respondents are not clear about promotions, career in retailing; the skilled required reaching heights. So it is the duty of the retailer to educate the three employees about the career in the retailing and required qualities and qualifications and make the employees feel that it is similar to other industries in providing job security, promotions, etc.,

Based on our case study of three grocery retail chains we can conclude that these retailers are at present able to make retailing interesting to different types of employees.

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