

Communications

Work Place Motivators & Employees' Satisfaction: A Study of Retail Sector in India

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Success of retail firms is dependent on a motivated workforce; hence these firms are trying to use different job motivators to keep employees motivated and satisfied. This empirical study examines the job motivators which Indian retail firms are using for front line sales personnel and their effectiveness in terms of employees' satisfaction. Data were collected from 114 sales employees belonging to 10 retail stores in the National Capital Region. The most important motivators used by retail stores were: working conditions, skill development, recognition, role clarity, career growth and support from management. The results of regression analysis indicated compensation, working conditions, and support from management as the most significant predictors of employees' satisfaction.

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HR Related Problems in the Retail Sector

Over the last few years, India has been experiencing a revolution in the retail market. Indian retail industry has been growing at a tremendous rate with numerous new players entering the market. The industry currently accounts for 8% of the employment and is estimated to be the fifth largest globally. India's retail sector enjoys many enabling conditions viz. favour-able demographics, rising consumer incomes, real estate development especially with the emergence of new shopping malls, availability of better sourcing options both from within India and overseas, and changing lifestyles. All these factors facilitate to bring the Indian consumers closer to their counterparts in more developed markets. Retail sector today has attracted every major industrial house in India besides multinational retail giants lured by the enormous potential the one billion plus population offers in terms of market. Although, this year, India lost its top position in the AT Kearney's annual (2008) Global Retail Development Index (GRDI) and slipped

to second position still it remains to be an important retail investment destination. However, India is lagging behind in the retail labour index when 15 emerging economies were ranked on a 100-point scale using three weighted factors: talent avail-ability, talent development and labour economics.

The HR function in all service sector organizations like retailing is one of the pillars of success. Proper manpower planning, recruitment, motivation and retention would be essential to maintain operational smoothness and consistent service to the customers. So far, the HR factors in retail management are largely ignored (Aneja 2006). The issues of employee motivation, satisfaction and evaluation of his/her productivity were neither discussed nor investigated in retail sector. Consequently, with the coming of organized retail sector to India in a big way, there are several pertinent questions which haunt this industry in its infancy. There are concerns with regard to availability of trained manpower. There are debates on best ways to keep the existing workforce motivated and committed, controlling turnover, cultural issues affecting the workforce management peculiar to India and the extent to which compensation determines employee turnover. As the retail industry continues to grow, employee satisfaction and retention is likely to remain a challenge. As a result, steps which can be taken by retail industry for recruiting, training, retaining, motivating, and engaging employees for enhanced productivity need due deli-

beration. The focus of this paper is on analysing present status of employee satisfaction in retail industry and determining the motivators which influence employees' satisfaction.

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Retail is one of the highly manpower intensive industries. With tremendous growth rate in Indian retail industry, the present scenario depicts a high demand for manpower to match the scope of rollout plans of various players in the near future. It is estimated that 8 million people will be required in organised retail by 2011 (Pant 2007). This gives a clear indication of the extent of human resources required to support the growth of retailing in India. As it is an emerging sector, there are not many employees with long and relevant experience. A KPMG report reveals that there is a skill-set gap in those manning the floors. According to TeamLease, India's leading staffing company, the retail industry has nearly 70 per cent attrition (Deccan Herald Report 2008). Attrition is the highest for entry-level, front-end staff but tapers off as one climbs higher. Youngsters join the retail industry at lower salaries, get some experience and then move on to better jobs or back to education. The work pattern of retail industry requires employees to put in long hours of work which generally cause fatigue and lower motivation among employees. There is increasing

work pressure, in particular from work overload, time pressures and deadlines, staff shortages and turnover rates and long working hours. Many retail companies are struggling to come out of this situation by emphasising on the career path in their organisations through strong human resources initiatives, trying to create emotional bond with employees, using retention tools like raising salaries, offering incentive-based targets etc. They have realized that effective retail store management depends on motivated, satisfied and loyal employees who will be productive, maintain work schedules, and develop tenure with the firm. In order to motivate, keep satisfied and productive employees, retail store managers must know which dimensions of the job are most important and most satisfying to employees. However, the concept of motivation is a complex one, therefore in this paper, rather than providing a comprehensive overview of motivation and its possible determinants, we endeavour to extract the key motivators that impact on the satisfaction in Indian retail sector.

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Past Studies

Over the last few years, the world of work has changed dramatically due to globalisation, with organizations

being assessed against international standards and best practices. Consequent to downsizing and expansion, diversification of work-force, new organizational forms and benchmarking, the emphasis upon people has increased. Therefore, organizations, including in retail, have realized that these changes have a profound influence on their performance and the key to quality performance is the organizations' ability to motivate its people towards desired actions and behaviours (Talaq & Ahmed 2003). Since organization has to produce its outcomes through its people there is emphasis on motivation and concern for people through assessment, regular feedback, ongoing support and experience based initiatives. Motivation is important because of its significance as a determinant of performance and its intangible nature. Organizations might perceive motivation as a strategic issue since it impacts directly on organizational cost, productivity and business performance.

Motivation is an imperative matter in most organizations as it is a vital factor in getting employees to increase performance (Buitendach & De Witte 2005). Bent and Freathy (1997) mentioned that a key to organization's competitive performance has been the successful motivation of staff. Huddleston and Good (1999) agreed that the success of retail firms is dependent on a motivated workforce. Motivation is of interest in the work environment because it influences work performance and productivity. Keeping

employees motivated can be done by increasing salaries, benefits or education, but it is important to recognize that individuals are motivated differently and quite often it is complex to know what motivates employees. Most managers do not know what motivates their employees because they do not realize that individuals in the organization have unique motives for working (Hiam 2003). Therefore, communication is needed on a continuous basis in order to know what motivates employees (Glen 2006).

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Motivation has been defined as the psychological process that gives behaviour purpose and direction (Kreitner 1995); a predisposition to behave in a purposive manner to achieve specific, unmet needs (Buford, Bedeian & Lindner 1995); an internal drive to satisfy an unsatisfied need (Higgins 1994); and the will to achieve (Bedeian 1993). Herzberg et al. (1959) found two distinct sets of factors (viz. 'motivators' which were related to job content and were intrinsic to the job itself and hygiene factors which were related to the job context and the environment in which the job was undertaken and were extrinsic to the job itself) impacting on the employee experience by studying the attitudes. Motivation is considered to be the

desired positive willingness that prompts a person to action. According to Hersey and Blanchard (1988) motivators are the factors that influence or lead to positive willingness, and include specific needs, wants, drives or impulses. People are motivated by different things, both intrinsic and extrinsic factors. For some, it is power and money that motivate them while for others; it is flexibility or a social workplace. Huddleston and Good (1999) mentioned in their study that Polish retail workers appear to place more importance on some of the intrinsic job motivators such as self-satisfaction and a sense of accomplishment than their Russian counterparts. Parson and Broadbridge (2006) revealed job characteristics of charity shop managers in UK and found that managers exhibit high levels of satisfaction with the variety and challenge of the job and the high degree of control they have over day-to-day decisions. But they exhibited much lower levels of satisfaction with factors such as pay, job status and working conditions. Carr (2005) found that retail managers are most likely to be motivated due to their working conditions, personal and general dimensions and are least motivated by the remuneration they receive and promotion opportunities.

Gehrt and Goldsberry (1999) study found that students entering a career in retail viewed intrinsic aspects as the most important predictor of a retail career, followed by lifestyle flexibility aspects and then extrinsic aspects. Higgs,

Malcolm, Renton and Hamish (2003) emphasized that, due to increasing competition in UK retail organizations, the contributions, motivation and behaviour of store employees are the key aspects of competitive advantage and business success. Czinkota, Kotabe & Mercer (1997) mentioned that sales managers have a direct impact on corporate profitability as they are responsible for managing and leading a sales force in its critical direct revenue-generating activities. Thus, their motivation should be a major concern for senior management.

It was found that females are most satisfied with recognition and males with responsibility.

Newstrom and Davis (1989) and Schultze and Steyn (2003) found that there were no significant differences between factors that motivated male and female employees. On the other hand, Oosthuizen (2001) found that significant differences exist between males and females regarding the motivators viz. recognition and responsibility and the hygiene factors viz. status and factors influencing their personal life. It was found that females are most satisfied with recognition and males with responsibility. Males were dissatisfied with status, while females reported the highest dissatisfaction due to work factors that were influencing their personal life. Kanters, Yardley and Nogradi (1992) indicated demographic variables as predictors of work motivation and identified gender as the

only significant predictor. Similarly, Schulze and Steyn (2003) found that female educators are significantly more motivated than their male counterparts by working with learners, by special privileges and by relations with colleagues.

There is a statistically significant relationship between length of service and factors that motivate employees (Bellingan-Timmer 2004, Schulze and Steyn 2003, Oosthuizen 2001). Bellingan-Timmer (2004) discovered that middle managers with over five years service in their current rank are more dissatisfied with their advancement and independence in the organisation. Those with less than five years service are also dissatisfied with their activity levels in the work, with middle managers with five years and more service in the current rank being more satisfied with the supervision in terms of human relations. Robbins et al. (2001) demonstrated a positive relationship between seniority and productivity. Therefore, tenure expressed as work experience, appears to be a good predictor of employee productivity. Similarly, Schulze & Steyn (2003) indicated that tenure and satisfaction are positively related and that age coincides with experience. According to Robbins et al. (2001) tenure appears to be a more consistent and stable predictor of job satisfaction than chronological age. Oosthuizen's (2001) research revealed that there are statistically significant differences between the number of years employed at Telkom and the motivational factors,

that is, advancement and possibility for growth. However, Schulze and Steyn (2003) found that there are significant differences in motivational factors for educators for various periods of experience. This indicated that experience significantly influences what educators experience as motivational.

Motivation & Employees' Satisfaction

There exists a wide array of theoretical frameworks that have aimed to ascertain the concepts of motivation and satisfaction. Kreitner and Kinicki (2001) reveal a significant positive relationship between motivation and job satisfaction. Various other researchers found a relationship between job satisfaction and job performance (Khaleque et al. 1992, Babin & Boles 1996, Van Yperen & De Jong 1997, Robbins 1998 all cited in Louw, Meyer & Van Schalkwyk 2000). Satisfaction is defined by various authors including Locke (1991) as the outcome of a motivational process. Locke (1991) however noted that there are a range of theoretical views over what drives/creates motivation and leads towards a feeling of satisfaction or a satisfactory outcome for the individual. Lucas (1985) in a study of US retail managers found the supervisor-employee relationship to be an important indicator of job satisfaction. Amongst Lucas' key findings were the strong relationship between the store managers' evaluation of their own competency to perform key job tasks and their satisfaction with the job.

Teas (1981 & 1982) also found a positive relationship between job satis-

faction and closeness of supervision, but highlighted the importance of performance feedback from supervisors. He found that an employee's participation in decision-making was not significantly related to job satisfaction. Lusch and Serpkenci's (1990) explored the relationship between job satisfaction and self-esteem, achievement orientation and inner direction and found that, of these factors only achievement orientation had a significant (positive) relation to job satisfaction. They suggested that people with high levels of achievement orientation are highly motivated to seek and overcome challenges in their jobs and that they also value work in and of itself.

People with high levels of achievement orientation are highly motivated to seek and overcome challenges in their jobs

Methodology

The participants in the present study were front line sales employees (N=114) from ten retail stores. Of them 65.8 percent were males and 34.2 percent females, 92 percent from age group of 25 years and below and 18 percent were from the age group above 25. 71 percent had work experience with present organization for two years and less and 29 percent had experience more than two years.

Measures

Work place Motivators - In the first section 21 items were included. These

assessed respondent's perception about different motivators at work place and belonged to 10 motivators namely 'reward and recognition', 'skill development', 'amount of work', 'compensation', 'working conditions', 'role clarity', 'work life balance', 'career growth', 'participation in decision making', and 'support from management'. Respondents were asked to express the extent of agreement for these with respect to their organization on a five-point likert scale (1 = strongly disagree, 5 = strongly agree).

Satisfaction - Respondents were asked to indicate their agreement with an item "Overall how satisfied are you working for this organization" on four point likert scale (1 =very dissatisfied, 4 = very satisfied).

Personal demographic - These included age, gender, level of education organizational tenure, etc.

Results

Data were analyzed using descriptive and regression analysis and analysis of variance. Table 1 presents the means and standard deviations for different motivators and employees' satisfaction with the organization. Some motivators (such as working conditions, skill development, recognition) were more present in organizations, while others (amount of work, work life balance, compensation participation in decision making) were given less importance by organizations.

Table 1: Means & Standard Deviations for Dependent and Independent Variables

Motivators	Mean	Std. Deviation
Working condition	4.29	.76
Skill development	4.24	.62
Recognition	4.18	.61
Role clarity	4.13	.89
Career growth	4.11	.89
Support from management	4.09	.69
Participation in decision making	3.93	.76
Compensation	3.76	.78
Work life balance	3.76	.92
Manageable amount of work	3.29	.72
Satisfaction with organization	2.04	.63

The results of regression analysis for work place motivators and employees' satisfaction significantly support the overall model with F value of 10.07 (p < .000) (Table 2). Adjusted R square (.45) indicates that the variance in employees satisfaction is substantially explained by work place motivators. Among the 10 motivators, three, namely compensation ($\beta = .27, p < .030$), working conditions ($\beta = .33, p < .006$), and support from management ($\beta = .40, p < .006$) significantly affect satisfaction of employees. Others were found to be unrelated to satisfaction with organization.

Table 2: Results of Regression Analysis for Employee Satisfaction as Dependent Variable & Workplace Motivators as Independent Variables

	Sum of squares	Degrees of Freedom	Mean Squares	F	Sig
Regression	55.77	10	5.58	10.07	.000
Residual	57.06	103	.55		
Total	112.83	113			

R Square = .49; Adjusted R-Square = .45

Variables	Standardized Coefficient	T	Sig
Recognition	.16	1.68	.096
Skill development	.11	1.19	.233
Amount of work	.13	1.54	.127
Compensation	.35	2.98	.004
Working condition	.33	2.82	.006
Role clarity	.09	1.14	.256
Work life balance	.14	1.32	.189
Career growth	.18	1.55	.125
Participation in decision making	.11	1.18	.242
Support from management	.40	2.83	.006

Tenure with Organizations & Motivators

To examine the impact of employees' experience with present organization on motivators respondents were divided into two groups based on the years of experience –those with two years of experience or less and those with more than two years of experience. The results of ANOVA for 10 work place motivators and work experience indicated significant difference between the two groups for skill development ($F(1, 112) = 3.69, p < .057$), working conditions ($F(1, 112) = 7.08, p < .009$), work life balance ($F(1, 112) = 11.17, p < .001$) and support for management ($F(1, 112) = 13.89, p < .000$). For other work place motivators there were no significant differences between these two groups.

Discussion

One of the major findings of the study is that front line sales persons are less satisfied with organizations as mean satisfaction score is 2.04 on a rating scale of four. There may be different reasons for this outcome. This study explains some of the reasons in terms of compensation as major motivator and incongruence between employees' expectations and what they are getting. The findings indicated that employees' satisfaction is significantly influenced by compensation along with working conditions and support from management. Other motivators used by organizations were unrelated to satisfaction with organization. This finding is congruent with those of other studies conducted in other culture

contexts. Huddleston and Good (1999) revealed that the most important motivators to Russian and Polish sales employees are pay and friendliness of co-workers. Dubinsky et al. (1993) also found that American sales employees rank pay as most important. Mehta et al (2000) identified achievement of market goals, bonus, attitude of superiors toward manager, salary and commission, opportunities for promotion, and retaining respect of salespeople as salient rewards for salespeople. Thus, compensation has been reported as one of the key factors influencing the sales employees' satisfaction. One of the reasons of it may be that front line sales employees in retail stores are from age group of 20-25 and are working to earn their livelihood to satisfy their basic needs. At this stage extrinsic motivators become more relevant over intrinsic ones. Organization needs to consider this fact while designing motivators for sales employees.

Compensation has been reported as one of the key factors influencing the sales employees' satisfaction.

There is incongruence between what employees want and what organizations are providing. This study indicated that major motivators used by organizations are working conditions, skill development, recognition, role clarity, career growth and support from management. Compensation, work life balance and amount of work were rated as low by respondents which indicate retail stores are not giving much emphasis on these

factors. Employees perceive that they are not getting adequate compensation and because of more work and long hours of working they are not able to keep work life balance. Further, compensation has been found one of the major factors affecting employees' satisfaction with the organization. To enhance employees' productivity, there must be congruency between managers and their employees' perceived importance of rewards (Laabs 1998). These findings suggest that retail organizations need to understand employees' needs and expectations and to design motivators which are in congruence with employees' expectations.

Bellingan-Timmer (2004), Schulze & Steyn (2003), and Oosthuizen (2001) have established that there is a statistically significant relationship between length of service and factors that motivate employees. The present study also ascertains significant relationship between tenure with the organization and motivators. Employees with more tenure with present organization rated skill development ($M = 4.41$) and support from management ($M = 4.45$) higher compared to less experienced employees. Working conditions and work life balance were rated higher ($M = 2.44$; $M = 3.94$, respectively) by employees with less experience.

The present study has a number of limitations that need to be addressed in future research. First, the sample size was not large enough to generalize the findings; therefore, the study needs to be

replicated using a larger sample of employees. Second, the study used subjective, self-report measures that might give rise to common method variance problems. Future research could use different sources for motivational factors and employees' satisfaction. Further this study assessed overall satisfaction with the organization. Future study could examine the satisfaction with different facets of the organization. Researches could examine the impact of motivators on intention to stay with organization, which is a more direct indicator of the employees' retention in organization.

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