Abstract

Indian economy has an increased share of services and is shifting away from manufacturing sector. Retaining talent is a challenge, as today’s employees are considerably different than they were in the earlier times with respect to their demand for challenging, significant work and need for more empowerment in decision making (Wilson, et al., 1994). Organizations in current scenario seek for innovation and creativity more intensely (Wilson, et al., 1994). Due to this paradigm shift in the organizational climate and culture including working pattern, organization structure etc. it is important to re-evaluate the concept of job role stress, employee performance and service effectiveness in this context. In this time of ever developing technology, high speed, global competition and consumerism, stress is on rise and having adverse effects on employee’s health, which in turn is having negative impact on employee performance and thus productivity of an organization. (Sharma, Devi 2011). According to the prediction of The World Health Organization Global Burden of Disease Survey mental health disease, including stress-related disorders, will be the second leading cause of disabilities by the year 2020 (Kalia, 2002).

Experts point out that continued high development in an industry can be a matter of concern because it pressurizes systems and governance processes that needs time to be framed and to be institutionalized. The retail industry is one of the fastest emergent industries in India and is faced with above mentioned problem. According to Surprenant and Solomon, 1987 personal interaction between frontline employees and the customers is the most important aspect of the services. Frontline employees can be perceived as source of differentiation and competitive advantage in service industry (Pfeffer, 1994). Around 1976, Hans Selye proposed that stress is a part of human condition. The term “stress”, as it is currently used was coined by Hans Selye in 1936, who defined it as “the non-specific response of the body to any demand for change”. Around 1990 the World Health Organization called stress as “a global epidemic”. In the 21st century, stress has
become a way of life. The origination of the organizational stress is from the organizational demands confronted by the individuals (Aziz, Mohsin; 2004). Unnoticed organizational stress not only affects the health and morale of employees but also has an impact on their productivity. (Calabrese et al., 1987; Cohen and Williamson,1991).

When it comes to service industry customer relationship management is the unique selling point (Kotler, 2001). The sales personnel should always remember that their primary responsibility is to provide service excellence which will in majority cases be converted to customer patronage, customer patronage in turn enables to increase the profitability of the store (Heskett et.al. 2003). The reason for this phenomenon is that in the service industry it is possible to offer product of the same quality but what matters is service effectiveness delivered by frontline employees to the customers throughout the entire buying encounter along with the after sales service. Frontline employees should be treated as knowledge workers as they know more about their customers then their bosses due to their constant interaction with the customers.

For this the managers of service sector should remember one key mantra quoted by great researcher Peter Ducker “The leader of the past knew how to tell. The leader of the future will know how to ask”. But this is not taking place in the service sector resulting in stressed out work environments. The service effectiveness which is one of the aspects of service delivery is dependent on the frontline sales personnel as they are the ones who have high level of interaction with the customers throughout the service encounter (Parasuraman et.al 1985). In current time of globalization there is increased service industry competition, coupled with more demanding customers, the service profit chain “helps managers target new investments to develop service and satisfaction levels for maximum competitive impact, widening the gap between service leaders and their merely good competitors” (Heskett et al, 1994). The service profit chain framework used as a base model for the research under study focuses on creating both employee and customer loyalty – recognizing that each is reflected by the other if the employee is satisfied he will
deliver service excellence resulting in customers satisfaction so employee first customer second should be the key mantra for success when it comes to service industry.

The stress related to role performed by the employee at the workplace is the most important determinant of performance of the employee (Sharma, Devi 2011). According to Pareek (199315) the performance of employee in the organization can lead to conflict, which can result in stress among the employees. Such stress can have negative impact on employee performance along with many other dysfunctional outcomes (Behrman and Perreault, 198416). In such circumstances, efforts to sustain a high level of work performance over a long time can be a tedious task for organizations as well as employees which in turn will affect the organizational productivity.

According to Wheatherly and Tansik (199317) employees have to deal with the directions from superiors as well as the demands and wishes of customers. Because of such a dual role, the retail frontline employees are in dilemma whether to adapt the retail services as per customers needs or to comply with the organizational guidelines and procedures (Bitner, 199018; Bitner et al., 199019; Goodwin and Radford, 199320). This dilemma often leads to job role stress (Goodwin and Radford, 1993). Job role stress is particularly relevant in department store setting of organized retail format because there is high level of customer participation and frontline employees are bound by organizational rules and regulations. Retail is one of the highly manpower intensive industries. According to Budhwar et.al (200921) estimations 8 million people will be required in organized retail by 2011. But so far, the HR factors in retail management are largely ignored (Aneja, 200622). There have been many studies conducted on job role stress and its relationship with employee job performance and service effectiveness in different sectors but hardly any with respect to department store setting of organized Indian retail sector. Also in most of the studies the employee point of view is hardly taken into consideration. This study is an attempt to fill in this gap. The research methodology used is explanatory approach. The study starts with investigating if there is gap between customer
expectation and customer perception of the service delivered by the frontline sales personnel by means of mean value analysis.

The factors which are used to determine the customer expectation and customer perception are known as service effectiveness factors and the gap mentioned above is known as service effectiveness or SERVEFF gap.

Then from these service effectiveness factors prominent with respect to customer expectations and customer perception of service delivered by frontline employees are determined by means of factor analysis. This is followed by examining whether frontline employee role performance towards the customers is dependent on service effectiveness factors and job role stressors i.e. role conflict and role ambiguity by means of non-parametric chi-square test. Further the direction of relationship among job role stressors, frontline employee role performance towards the customers and service effectiveness is determined using Spearman rank correlation coefficient. According to the findings of the research major HR issues that exists with respect to retail sector include existence of gap between customer expectation and customer perception of service effectiveness delivered by frontline employees and presence of job role stressors i.e. role conflict and role ambiguity that have significant negative relationship with frontline employee role performance towards the customer and service effectiveness (Kanwar et al. 2009). If these issues are handled tactfully by combined effort of the HR department and management team the contribution of retail sector to Indian economy would continue and multiply in the years to come.