Chapter 1- Introduction

1. Introduction

Indian economy has an exaggerated 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 wish for challenging, significant work and demand 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). Because of this paradigm shift within the structure, climate and culture as well as operating pattern of organization it’s vital to re-evaluate the conception of job role stress, worker performance and service effectiveness in this context. In this era of ever developing technology, high speed, global competition and consumerism, stress is on rise and having adverse effects on the physical and mental well-being of the employees, which in turn is having impact on employee performance and thus productivity of an organization (Sharma, Devi 2011).

According to the prediction of The World Health Organization, World Burden of Sickness Survey mental health sickness, including stress-related disorders, will be the second leading explanation for disabilities by the year 2020 (Kalia, 2002). Global management consultancy, Hay Group has conducted a brand new analysis in association with the centre for social science and business research on ‘predicted levels of global employee turnover for 2013 up to 2018’.

According to this study India Inc expect employee turnover of 26.9 percent (in the organized sector ) in 2013, the highest turnover rate world wide. The amount of staff leaving the job is expected to reach 161.7 million in 2014 which means 12.9 percent increase in people leaving compared to 2012.

Specialist note 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 business is one among the fastest emergent industries in India and is faced with above mentioned problem. The industry is very diverse, with several sub-divisions, each being reflective of its own distinct
characteristics. The retail players need to excel in every surpass of conducting the business as the market is extremely competitive at every level and the market environment is dynamic. It is majorly service oriented industry. According to Surprenant and Solomon, 1987⁴ personal interaction between frontline staff and the customers is the most significant facet of the services. Frontline employees can be perceived as source of differentiation and competitive advantage in service industry (Pfeffer, 1994⁵). The scenario however, is not as rosy as it looks, for this sector with huge growth prospects. Like most of the industries in their expansion phase, this industry is also going through its share of turbulence.

Around 1976, Hans Selye⁶ proposed that stress is a part of human condition. The term “stress”, as it is presently used was coined by Hans Selye in 1936⁷, 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 this 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 solely affects the health & morale of employees but also has an bearing on their productivity. (Calabrese et al. 1987; Cohen and Williamson, 1991).

Organizational stress is of great concern because as employees are answerable to their bosses almost every hour of the day, it may lead to unproductive effects on employee’s health, can promote increased attrition of employees and demotivated workforce. It can also have bearing on the service quality rendered by employees to customers especially in service sector as herein employee performance depends on their ability to control emotional responses of the customers that successively depends on emotional self appraisal of the employees (Bettencourt & Brown, 2003²⁴). The survival of any organization is betting on the standard of its people, the infrastructure and standard of products it manufacture & market. So the clear strategic focus from the government, industry and educational institutions to bring about a meaningful change in people (to provide value based education & investment leading to people’s employability skills),
infrastructure (to create a conducive environment for people to work & produce efficiently & effectively) and the standard of products (product that is of good quality and affordability to sustain and progress the business firms) is incredibly vital for the economic progress of the country (Budhwar et al. 2006). The main target of this analysis paper is on quality of people aspect.

When it involves service industry customer relationship management is the unique selling point. “The vital factor about responsibility is not to whom you are responsible, but for what you are responsible” - Mary Parker Follett. This quote precisely fits the service industry. The frontline employees should always detain that their main responsibility is to serve 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 equivalent quality but what matters is service quality given to the customers throughout the entire buying encounter besides the after sales service. Sales personnel should be treated as employees who have source of information as they know more about their customers than their bosses due to their constant interaction with the customers. For this the managers of service sector should remember one key mantra given by great researcher Peter Ducker “The leader of the past knew how to tell. The leader of the future will know how to ask”. However this is often not being practiced in the service sector resulting in stressed out work environments. The service effectiveness which is one among the aspects of service delivery is dependent on the frontline employees 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 optimum 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 analysis of
the 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 associated with role performed by the employee at the workplace is the most significant determinant of performance of the employee (Sharma, Devi 2011). According to Pareek (1993) the dilemma with respect to job responsibilities of the 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, 1984). In such circumstances, efforts to sustain a high level of labor performance over extended 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 (1993) employees have to deal with the directions from superiors as well as the demands and wishes of customers. Because of such dual role demands, the retail frontline employees are in dilemma whether to adapt the retail services as per customers needs or to comply with the organizational rules and regulations (Bitner, 1990; Bitner et al. 1990; Goodwin and Radford, 1993). This dilemma typically ends up in job role stress. According to Goodwin and Radford (1993) job role stress is especially relevant in retail services because there is high level of customer participation and frontline employees are bound by organizational rules and regulations. According to Dubinsky et.al (1984) job role stress is very vital determinant of employee’s loyalty to the organization and hence his/her intention to depart from the organization, especially in case of employees in service sector who are in direct interaction with the customers.

It can be seen that over the previous couple of years India has been experiencing a revolution in retail market. Retail is one of the extremely workforce intensive industries. According to Budhwar et.al (2009) estimations 8 million people will be required in organized retail by 2011. But till date, the HR factors in retail management are mostly ignored (Aneja, 2006). According to Heskett et al. (2003) front line employee’s attitude
and perception affects the customer contentment and objective of buying behavior which in turn have impact on service productivity. Retailers over the years have developed and used various methods to quantify the performance as well as development of strategy. There are several studies conducted on job role stress and its significance on employee job performance and service effectiveness in different sectors but hardly any in relevance to organized Indian retail sector. Also in most of the studies the employee perspective is hardly taken into consideration. This study is an effort to fill in this gap. 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 measure the customer expectation and customer perception are known as service effectiveness factors and the gap mentioned above is known as service effectiveness or service quality gap. For the purpose of the study this gap is called as service effectiveness gap or SERVEFF gap. Then from these service effectiveness factors, most prominent factors 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. Then it is investigated whether there is negative or positive relationship between job role stressors i.e. role conflict and role ambiguity and frontline employee role performance, job role stressors and service effectiveness, service effectiveness and frontline employee role performance towards the customers by using Spearman rank correlation coefficient.

1.1. Global Scenario

Retailing has played a major role in the global economy. In urbanized markets, retailing is one of the most promising industries. In 2008, the US retail sector contributed 31% to the Gross domestic product at current market prices. In developed economies, organized retail features a 75-80% contribution in total retail as compared with developing economies, where unorganized retail features a dominant contribution. (Senthilkumar S.
and Shivakumar P., 2011). World retail sales were calculated to be around US$ 12 trillion in 2007 but, in 2008, the deceleration in the global economy, particularly in the US and credit crisis, decreased consumer spending. On a world level, the economy performed well till 2007, but the US crisis reached Europe in early 2008 and its influence was felt in the Asia-Pacific region by mid-2008. The 2012 fiscal year got off to a not easy start for the global retail industry. Major portion of Europe faced recession in 2011, a recession that continued throughout the next year as well. Within the first half of 2012 there was considerable financial chaos connected with the perceived risk that the Eurozone would fail. The European crisis had an unconstructive impact on several of the world’s leading economies. In China, development slowed significantly in 2012 as European demand for imported goods declined. In Japan, economic growth was meager despite the country’s initially strong recovery from the March 2011 earthquake and tsunami. The U.S. economy nearly slowed down in late 2011, but regained a bit of momentum within the first half of 2012 as consumer disposable income and housing business started to show hope of growth.

**Graph 1.1. GDP Growth of Emerging Asia, US and Euro Area**

![GDP Growth of Emerging Asia, US and Euro Area](image)

*Source: International Monetary Fund, 2013*
It is reflected from the above graph, that the gap between the economic growth of budding Asia and the developed world of the US and the Euro area was much larger before the crisis and it was consistently rising. After the crisis, the gap has shown signs of bridging considerably. This is helping the incomes to rise faster in the emerging Asian countries than within the developed world. (Retail Intelligence, 2014).

Globally, retailing is customer-centric with a prominence on innovation in merchandise, processes and services. Active world economy, competitive pressures and heated merger activity tossed the ranking of the nation's top retailers in 1999. The retail industry, overall, turned in a exceedingly stellar performance in 1999, posting sales of nearly $3 trillion. The surfacing of the international marketplace and the rise of the ever on call concept had further fuelled the expansion of retail across the world. The global retailing industry, as understood under the Worldwide Trade Classification Standard, rose by 5.5% in 2004 to touch $ 9,498.5 billion. The world wide retail sales were reached to US $ 12,104 in 2009, with an average growth of 5 percent (shown in Table 1.1).

Table 1.1. The total sales of global retail industry from 2000-2009

<table>
<thead>
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<th>Year</th>
<th>$billion</th>
<th>% growth</th>
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<tr>
<td>2009</td>
<td>12,104.0</td>
<td>4.70%</td>
</tr>
<tr>
<td>2008</td>
<td>11,561.5</td>
<td>4.80%</td>
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<td>2007</td>
<td>11,029.1</td>
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<td>10,496.3</td>
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<td>2005</td>
<td>9,981.1</td>
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</tr>
<tr>
<td>2004</td>
<td>9,498.5</td>
<td>5.5%</td>
</tr>
<tr>
<td>2003</td>
<td>9,005.4</td>
<td>4.50%</td>
</tr>
<tr>
<td>2002</td>
<td>8,620.1</td>
<td>3%</td>
</tr>
<tr>
<td>2001</td>
<td>8,366.0</td>
<td>2.7%</td>
</tr>
<tr>
<td>2000</td>
<td>8,144.2</td>
<td></td>
</tr>
</tbody>
</table>

Source: Global Retailing, published by Data monitor, 2009

The factors like rising GDP growth, budding population, greater disposable earnings, and increasing consumer spending are contributing towards the expansion of the Worldwide Retail industry and providing wide consumer base and scalability options for
retail segment players. The market is predicted to reach a $20,002 billion in 2017 with a compounded annual growth rate of 3.9% over the coming six years (2012–2017) (Global Retail Industry 2012-2017: Trends, Profits and Forecast Analysis, 2012). The global economic turbulence due to downfall in market, inflation, and high unemployment rates are some of the significant problems that are having negative impact on the retail industry. On the other hand factors like information, communication and technology paradigm shift, increase in consumer disposable income and spending, urbanization, demand for luxury have led to heighten the sales in the retail industry. A blend of such factors impacts market dynamics significantly. (Global Retail Industry 2012-2017: Trends, Profits and Forecast Analysis, 2012)

1.2. Retail Industry in India

Rapid developments in the Indian Economy post-liberalization in 1991 have prompted institutions like the World Bank to forecast that India would be the fourth largest economy within the globe by 2020 (Budhwar and Bhatnagar, 2009). Following globalization this has attracted a huge numbers of foreign investors and companies to India. Over recent decades human resource management in Asian country has evolved as a focused function (Budhwar and Bhatnagar, 2009). According to Budhwar and Bhatnagar, 2009 India had an extended history of labor legislation and industrial relations and there are many challenges faced by the human resource management systems in India, because of the diverse nature of India’s society which is mirrored in provincial, sectoral, demographical, cultural, social and political variation. In such a context it is extremely difficult to possess a uniform human resource management system.

The speedy increase in count of supermarkets, hypermarkets and department stores in India has marked the exceptional rise for demand of retail in India. Shopping in India is witnessing a gradual shift with the tremendous growth and phenomenal rise of the retail industry, which is providing employment of around 8 per cent and contributing to over 10 per cent of the country's GDP (Piyali et.al, 2010). At US$ 511 billion in 2008, the complete retail industry of the country is predicted to rise to US$ 833 billion by 2013.
and further to US$ 1.3 trillion by 2018, at a Compound Annual Growth Rate of 10 percent. Organized retail, which contributes almost 5 percent to the retail business, is predicted to grow at a Compound Annual Growth Rate of 40 per cent from $20 billion in 2007 to $107 billion by 2013. Contemporary focus of the industry is mirrored in tremendous rise in sales of supermarkets, departmental stores and hypermarkets. (Singh and Srinivasan, 2012)

According to Akhter & Equbal, 2012, sales from supermarkets, hypermarkets and department stores have shown tremendous rise at phenomenal growth rate during the period of 2003-2008, ranging from 24 per cent to 49 per cent per year. India has the most range of retail outlets within the world at over 13 million retail outlets and the regular size of one store is 50-100 square feet. It also has the most range of outlets (11,903) per million inhabitants. The per capita retail area in India is among the lowest within the world, although the per capita retail outlet is the highest. Majority of these outlets are placed in rural areas, resulting in unorganized retail predominating the Indian retail industry (Arvind, 2008). In 1991, the Indian government introduced the monetary policy to draw in foreign investments and since then, it has amended the policy from time to time in various sectors to allow higher levels of foreign participation with consideration to provide transfer of technology, warehousing ideas and healthy competition to local retailers.

The government course of action in retail sector allows 100% foreign investment in wholesale cash-and-carry and single-brand retailing but does not allow investments in retail trading. In 1997, the government forced restrictions on foreign direct investment in retail sector but in 2006 these were upraised and opened in single-brand merchandising and in payment formats (Kapil, 2007). The payment business is the easiest means of entry for foreign retailers into India. Many international players like Metro and Shoprite have already entered the market. Wal-mart has entered in connection with Bharti for a payment business and Bharti is specializing with respect to front-end retail. On the same grounds, Tesco has entered India through association with Trent (Tata Group). Apart from investing in the payment business, Trent will also support the back-end activities of
Many foreign brands have also entered India either through joint ventures with leading Indian retailers or through selected franchisees to start up shop in India. Louis Vuitton, Marks & Spencer Pic, GAS. Armani are some such operators who have entered India through joint ventures. McDonald's, KFC, Domino's are the retailers who have taken the franchise route. (Kapil, 2007).

Last year, owing to the worldwide meltdown, investments slowed down in all sectors. The government has therefore made changes within the guidelines for foreign investments to revitalize investments in the coming year. This strategy will certainly improve the investment scenario in the Indian retail space (Senthilkumar S. and Shivakumar P., 2011). According to Arshad et al. (2008) and Ghosh et al. (2010) 47% of India’s average age of the population is under 20 years and this will increase to 55% by 2015 and this young population will incalculably contribute to the increase of the retail sector contribution in the Indian economy.

According to Retail association of India, 2009 the Indian retail market is ranked as the most attractive emerging market for investment in the retail sector. With ever rising consumer need and availability of greater disposable income, the US$ 400 billion Indian retail business is resulting in an annual growth rate of 30 per cent. It is estimated as per projections to rise to US$ 700 billion by 2010, according to a report by global consultancy Northbridge Capital. The organized business is predicted to be 20 per cent of the total market by then. In 2008, the contribution of organized retail was 7.5 per cent or US$ 300 million of the total retail market. A McKinsey report, 2011 'The rise of Indian Consumer Market', predicts that the consumer market in India is likely to reflect four times growth by 2025. Commercial real estate services company, CB Richard Ellis findings state that India's retail market has accelerated up to the 39th most well liked retail destination in the world in 2009, up from 44th last year. India continues to be among the foremost lucrative countries for global retailers. Foreign direct investment in single-brand retail commerce, were approximately US$ 47.43 million, according to the Department of Industrial Policy and Promotion (Gupta et al. 2010) as on September 2009.
Consumer spending showed an increase of 75 per cent within the past four years alone. Also, organized retail, which is pegged at around US$ 8.14 billion, is calculated to rise at a Compound annual growth rate of 40 per cent to touch US$ 107 billion by 2013. The organized retail sector, which at present has a share of around 5 per cent in the Indian retail market, is equipped to view most range of huge format malls and branded retail stores in South India, followed by North, West and the East in the next two years. Tier II cities like Noida, Amritsar, Kochi and Gurgaon, are budding as the preferred destinations for the retail sector with their huge growth potential. (Gupta et al. 2010). The Indian retail sector is witnessing incredible growth with the dynamic demographics and a rise in the value of life of urban people. At this moment, it is still early to mention that the Indian retail market will replicate the success stories of names such as Sainsbury and Tesco however the developments in the retail market in the present scenario point in that direction (Senthilkumar S. and Shivakumar P., 2011).

The Indian retail industry has been analyzed taking into thought the increase of the Indian economy and the viability of this sector in this scenario. Retail Sector is the most flourishing sector within the Indian economy. A number of the most important players of the globe are going to enter the industry soon. (Srinivasan, 2010). The Indian retail sector has played a proactive role in empowering a diverse set of human capital, more than 35% of employment in the age group 18-30 years, 40% of total employees in the Indian retail sector are women, thus empowering them, and 58% of the employees are in Tier II and Tier III towns of India, bringing about an economic balance between rural and urban employment opportunities (McKinsey Report, 2011).

Retail is on the verge of conveying the next massive paradigm shift in business environment after the IT sector. The organized retail market share is not up to the mark currently but it is expected to grow manifolds by the year 2013. A CRISIL report estimates that the Indian retail market is the most fragmented within the world and that only 5% of the entire retailing share is in the organized sector. This reflects that the potential for growth is immense (Senthilkumar S. & Shivakumar P., 2011).
1.2.1. Retail Business Models

In retail, business model dictates the product and or services listed by the retailer, the pricing strategy that he utilizes, the promotion and marketing strategy that he follows to communicate to his customers, structure and the size, physical ambience and the site of his retail store. This is called in retail as a format in which the retailer conducts his business. The retail format is relevant with reference to a particular time frame. The significant factors, which affect the retail model, are:

Trends in market positioning,

Competition,

The organizational capabilities.

The basic classification of retailers is done as store based retailer and non-store retailers. The store based retailers are further classified on the basis of the stock that they display or by the manner of ownership (Pradhan, 2009).

1.2.1.1. Store based retailing

Classification on the basis of ownership

Independent retailer

Independent retailer owns and operates only one retail outlet. Such outlets are managed by owner and proprietor and a few other working as assistants in the shop. In India there are large numbers of retailers who operate as independent retailers. Stores like the local baniya /kirana store and paanwala are some of the examples of autonomous retailers as are stores like Benzer, Instyle, Premsons, Amarsons etc.

A chain retailer or a commercial retail chain

A chain retail outlet is one where two or more than two stores are under a common ownership. These stores are categorized by similarity in products and services offered to the consumer, ambience, public relations and promotions. Examples in India include Wills Sports (ITC), Louis Philippe, VanHeusen (Madura Garments) and department stores like Pantaloons, Lifestyle and Shoppers Stop.
Franchising

A franchise is a legally binding agreement between the franchiser and the franchisee, giving name as per a particular business format in return for a fee or compensation.

Franchising may be the following types:-

A product or trade mark franchise- It’s a format where the products of the franchisee are bought by the franchiser and/or the franchisee operates under franchiser’s name. For e.g. Archie’s stores.

A business format franchise- It’s a format where along with the right to sell the merchandise the franchisee receives franchiser's designs, quality control and accounting technologies, procedures for conduction of the business, team public relations and promotions, training and (in case of tourism business) worldwide reservation system. McDonald’s is perhaps one of the best examples of business format franchising.

Leased departments

Leased departments are also termed as shops–in-shops. When a part of a department in a retail store is leased/rented to a third party, it is called as a leased department. In India several large department stores conduct their business involving selling of perfumes and cosmetics in this manner. The main objective of this model is making products available to the consumer near his place of work or home. For e.g. Olay, Lakme in India.

Consumer co-operatives

Consumer co-operatives operate with the objective of providing essential commodities at practical prices. As a national policy, consumer co-operatives have been encouraged and their growth is promoted as a democratic institution, with its ownership, management and control lying in the hands of the members who strive for protection of the common man. Examples of consumer co-operatives in India include Sahakari Bhandar and Apna Bazaar in Mumbai and Super Bazaar in Delhi.
Classification on the basis of merchandise offered

Convenience stores

These are relatively small stores placed near suburban areas; they operate for long hours, entire week and offer limited line of convenience products like eggs, bread, milk etc. The food marketing institute gives definition of this format as “a small local store selling mainly groceries open until late at night or even 24 hours per day and sometimes abbreviated as c-store”. Though convenience stores by itself do not operate in India the retail stores that have started flourishing at petrol pumps in major Indian cities like HP Speed Mart and In & Out can be termed as convenience stores.

Supermarkets

The most widely used definition of supermarket is that of a store with a selling area of between 400 square meters and 2500 square meters selling at least 70% of its merchandise comprising of food stuffs and everyday commodities. These are large, low cost, low profit, high volume, working on principle of self service, structured to meet needs for food, groceries and other non-food items. Nilgiri’s, Foodworld, Foodbazaar etc. are examples of Indian Supermarkets. Over the years variations in this business model have also emerged, they include the super store and the combination store. A superstore is larger than a traditional supermarket with at least 25000 merchandise and more non foods, such as general merchandise and health and beauty care items while combination store is a superstore and pharmacy with general merchandise and health and beauty products accounting for at least 15 percent of sales.

Hypermarket

A store that has a selling area between 5000 square meters and 15000 square meters, offering a wide range of products including food and non-food items at discounted price is a hypermarket. Examples of hypermarket in India include Giant, Big Bazaar and Star India Bazaar.
**Speciality stores**

A store selling selected type of products and services or single product of durable goods or range of normally complementary durable goods or product category is termed as speciality store. Such a business model is characterized by high level of merchandise information presented to customers. Examples in India include Proline fitness station, Gautier furniture etc.

**Department stores**

A department store is defined as a retail outlet, often multileveled whose merchandise offer covers a number of different product categories. It is also defined as establishments depending on food, clothing and items used at home for at least 10% but less than 70% respectively of their sales. Traditionally department stores can be defined as retail space with an average area of 7000 square meters, generally selling fashion apparels, accessories, cosmetics, household merchandise and usually a much broader product and/or services mix from separate departments on several floors. Furthermore these stores have at least 50 employees and a self-service ratio of less than 50%. Examples in India include Shopper’s Stop, Globus, Westside etc.

The first department store was explored by Aristide Boucicaut the son of a successful hat maker, named as Bon Marche, in Saint-Germain, Paris in the year 1838. (Pradhan, 2009). The store attracted shoppers by promoting different types of merchandise, all at one place. In the United States, A.T Stewart started the Marble Dry Goods Palace where he presented retail merchandise at fixed prices, and marketed a policy of providing entrance with out any fee to all would be customers. Stores started getting established on similar lines in London and in other parts of the globe.

A department store offers a spread of merchandise (width and depth) that are organized into separate departments for the aim of assortment and convenient buying. Shoppers' Stop is the first department store to start its operation in the early 1990s and at present conducts business through 19 stores in 10 different cities in India. The store has main
focus on retailing of merchandise required on day to day basis and mainly divides into five departments such as clothing, accessories, decorations, gift ideas and other services. Shopper stop has a potential consumer base of more than 12 million buyers every year with a conversion rate of 38 per cent. In the end of financial year 2000 this retailer operated 5 stores and is in the process of establishing around 39 stores with retail space of 2,502,747 square feet by financial year 2008 (Sinha and Kar, 2007). Such a model provides the largest choice of any general merchandise and it is typically situated in shopping mall or shopping centre. It in general comprises of products such as electronics, apparels, home furniture’s, kitchen ware etc. where in the assistance of sales personnel is mostly required before making the buying decision as compared to other retail formats like supermarket or hypermarkets. Thus this retail format is selected for the aim of the analysis.

By 1890, a novel concept of retailing had been established as department stores which had a clear promotion strategy as worldwide providers. General stores eventually became department stores as small towns progressed into cities. The most important department stores evolved from small shops. The department store is also one of the reasons behind the standard store format seen today. The store layouts made shopping easier for the customers, irrespective of their demographic background. Although department stores have been present in India for a long time, this model of retailing has been operating over the past few years. The size of an average Indian department store varies from 20,000 to 40,000 square feet and stocks anywhere between 50,000 to 1,00,000 stock keeping units. Some of the national operators are Shopper’s Stop, Globus, West side and lifestyle while others like Akbarally’s, The Bombay store and Benzer in Mumbai, Ebony in Delhi and Chermas and Meena Bazzar in Hyderabad are prominent local players. Some of the well-known international operators in this model are Marks & Spencer, Sears, J.C Penny, Harrods, Selfridges etc.
**Off price retailers**

In case of off price retailers the goods and services are sold at less than retail prices. Off-price retailers buy manufacturers’ seconds, overruns or off season at a deep discount. Examples include Pantaloons Factory Outlets, Levi’s Factory Outlets, etc.

**Catalogue showrooms**

Catalogue retailers generally offer selected products and services like houseware, jewellery and consumer electronics. A customer walks into this retail outlet, examines the catalogue of the product/services that he would like to purchase and places the order. Some stores require the customer to write out the product code number and hand it over to the clerk for arrangement of inspection and delivery of the product. Examples in the world include Agros, Service merchandise etc.

**Box (limited-line) Stores**

The box (limited –line) store is a food-based discounter that focuses on a small selection of items and few additional services. The merchandise consists of few or no refrigerated items and few brands per item (Sinha & Uniyal, 2007). Examples include Tesco, Barnes and Noble, Best Buy etc.

**1.2.1.2. Non-store retailing**

The ultimate form of selling merchandise directly to the consumer is non –store retailing. A direct relationship with the patron is the main theme of any kind of non-store retail venture. It can be further classified as:

**Direct selling**

Direct selling involves making personal contact with the end customer at home or at the place of work. Direct selling may follow the party plan or the multi level network. In the party plan the host invites friends and neighbors for the party. In the multilevel network customers proceed like master distributors. They assign other people to work with them
as distributors. The master distributor makes money by charging a commission on the basis of the product sold and distributed by the distributors. It generally includes products like cosmetics, food, jewellery etc.

**Direct response marketing**

The term direct response marketing means various non-personal forms of communication with the customer and this includes: Catalogue retailing or mail order, Television retailing and Electronic shopping

**The Cash & Carry**

In “Cash & Carry” format the customers pick their own order, pay in cash and purchase the merchandise. The cash & carry is a wholesale format that aids small retailers and businessmen. Examples include Metro AG, Shoprite.

**Vending Machines**

Vending or slot machine is a retailing model which includes the coin or card operated provision of goods (such as beverages) and services (like life insurance sales at airports) (Ibid.4 p.19143). It eliminates the use of frontline staff and allows for twenty four by seven sales. Machines can be located at any place where they are most convenient to the consumers like inside or out of the premises of a store, in a hotel passage, at a station, airport or a street corner. Although many efforts have been made to sell other products, beverages and food items remain the largest category (Ibid, p.17644). Expensive items have not sold well in vending machines as many vending machines are not supported with currency note exchangers and lots of coins are therefore required for each transaction. Many consumers are not ready to purchase more expensive items as they cannot see them displayed or have frontline staff explain them about its features and there is the complexity involved in returning unsatisfactory merchandise. In current markets, vending machine sales have not reflected the progress as predicted over the
past five years mainly due to the turbulence in the market environment. (Crossen and Graham, 1996)

To provide efficient and effective productivity and to cater to betterment of customer associations, vending machine retailers make use of microprocessors to trail consumer trends, trace defaults and record transactions. The devices transmit data back to the host computer. For building customer loyalty video kiosks are set up so that consumers can have a better view of goods and services and also make payment via electronic mode. In India the progress of sales by vending machines is not as developed as abroad. In general all of the vending machines are monitored and operated in presence of an attendant. Even coffee machines are operated with assistance (Crossen & Graham, 1996). Companies like Cadbury’s and Malayalam Manorama (newspaper publishing house) have incorporated them at places that draw a lot of traffic, such as the airport. But the sales from these are limited (Ibid.4p.176).

**Electronic Retailing**

Electronic retailing (also called e-tailing and virtual retailing) is termed as a retail model in which the retailer and customer converse which each other through an interactive electronic network. After the search and negotiate stage via online media is processed by retailer and customer, the customer can place order for the product or service through any one of the electronic channels preferred like mobile commerce, internet etc. The next stages involve delivery of the consignment to the customer and after sales service (Baker, 2005). The role assigned to the web by a given retailer depends on whether it is primarily a conventional retailer that wants to have an electronic presence or a newer firm that wants to obtain in general all its revenues from web communications (Bauer et al.2006).

Today, online shopping is utilized as means of selecting and purchasing goods and services for most of the customers all over the world. Electronic sites give a broad range of merchandise to choose from based on customers’ preference. Shopping electronically always has the benefit of price, as most of the products will be available at price less
than that at physical stores due to effective supply chain management which reduces the cost involved in intermediaries.

Customer loyalty building initiatives like giving electronic coupons, gift certificates, promotional codes are also part of electronic retailing. One of the major advantages of online shops is that they make available inclusive information about the merchandise such as features, product quality, sizes, models, colors, prices, stock etc., customer evaluations and ratings and the best part is they are open all time and customers can select and purchase at their convenience. Indiatimes, Yahoo, Jabong, Fabmart, Rediff shopping give users a wonderful electronic shopping experience. Online shopping at these sites is very convenient and speedy as the broad range of merchandise is assorted in a very user friendly manner (Eroglu et al. 2001).

The retail environment is very dynamic. Building customer loyalty with respect to e-customer is challenging due to lack of physical interaction. The internet customer is very hard to envisage and is poles apart from the regular customer. Generating loyalty from the electronic customer is difficult because his preference can change over a click of mouse and interaction phase between frontline staff and customers is not present here. To gain and maintain customer loyalty a blend of promotional and marketing tools like public relations, advertising, direct marketing and Internet advertising should be used. In a nutshell, the major points to be remembered in case of electronic retailing business in India are: (i) Customer concern should be a major precedence as with leading online companies. Online customers are more sensitive, more alert and therefore more challenging to retain. (ii) The electronic retailer must ensure safety and privacy of the confidential data of the customers including personal and monetary details (Evanschitzky, 2004).
1.2.1.3. Services Retail

Services retail involves the retail of various services to the end consumer. It includes: retail banking, car rentals, providers of varied services such as electricity, gas etc., service contracts which may be entered into for servicing of consumer durables like repairs of water filters, computer systems etc. (Pradhan, 2009)

1.2.1.4. Organized Retail

Indian retail comprises of majority of small scale retailers consisting of the family owned stores, footwear shops, apparel shops, local betel leaf and tobacco shops, hand-cart hawkers, street vendors, etc. which together comprises of the alleged "unorganized retail" or traditional retail (Zia, Azam; 2013). In India there has been gradual increase in number of organized retailers operating stores via contemporary formats in metros and other major cities since 1991 after liberation, privatization and globalization. Unorganized retailers generally do not pay taxes and many of them are not even registered for sales tax, income tax etc. Kumar (2008) defined developing organized retail sector as a “large-scale chain stores which are corporatized, apply modern-management techniques”. According to Kumar, 2008 majority of the individuals after agricultural domain, are employed in the retail sector. Of the forty million individuals employed in retail sector in India, 50,000 are in organized retail industries (Kumar, 2008). As per the Marubeni Research Institute report, 2006 the organized retail sector could account for revenue of around one thousand billion Indian rupees in 2012, if the current performance is sustained.

Srivastava, 2008 pointed out that the gradual revolution of unorganized retail formats into contemporary organized formats, like departmental stores, hypermarkets, supermarkets, specialty stores and malls have fascinated consumers to the urban cities. According to Mishra (2008) retail space, demographic changes, increasing ratio of young population, developing brands, influx in retail finance, contemporary retail formats and interest by global partners in foreign direct investment are the strengths and opportunities for organized retail sector. On the other hand, real estate cost, under
developed infrastructure, requirement of additional skilled personnel, nascent supply chain and taxation chaos are the weaknesses and threats for organized retail sector.

1.3. Service productivity

Frontline employee’s job can be viewed as caught in a three cornered fight where organization is at one end focusing on sales volume, targets, profit etc; customers are at the other end focusing on product quality, service quality, individualized attention & frontline employee’s job is caught in the middle (Bateson’s, 198554). This boundary spanning role leads to job role stress and high levels of attrition (Henkoff 199455; Milbank 199356). Traditionally, academics and practitioners both have adopted a manufacturing perspective in measuring service productivity, by measuring the rate of quantifiable outputs to quantifiable inputs. But with respect to service industry perspective the productivity of a service process is associated with how efficiently input resources are processed into value for the customer (Gronroos and Ojasalo 200457). Reichheld (1996, p. 11758) refers to productivity as “the rate of creating employee worth for the organization.”

Service productivity is a construct having both qualitative and quantitative output i.e. service effectiveness & service efficiency respectively (Sink, 198559). This dissertation focuses on qualitative dimension of service productivity i.e. service effectiveness.

1.3.1. Service effectiveness

Currently, service effectiveness has turned out to be one of the important parameters in determining the success of industries. Service effectiveness has resulted in a significant influence on customers to provide a source of differentiation for competing organizations and aid effectively to gain and maintain customer satisfaction (Parasuraman, Zeithaml, and Berry, 1985; Mersha, 199260; Avkiran, 199461). Service effectiveness has a vast definition; however an comprehensive and most recognized definition of this concept given in many studies by researchers specifies that it is the result of the assessment that customers make between their expectations about a service i.e. what they want to receive and their perception of the service performance i.e. what

1.3.1.1. Customer Expectation

Determining customer expectations is one of the major challenges in front of the service providers. It is the essential and preliminary stage in delivering service effectiveness. Customer expectation is dependent on the confidence about the products and services that they receive from the management of the organization that deliver services to them. It is established as the standard point against which the performance of the service provider is evaluated. This consideration is essential for promoters because customers evaluate the effectiveness of the services delivered and determines these as the standard points when they actually experience and evaluate the service effectiveness (Zeithaml et al. 2009). For the purpose of this study the customer expectation can be interpreted as what customer wants with respect to the service effectiveness parameter delivered by frontline sales personnel employed in selected department stores.

1.3.1.2. Customer Perception

Customers’ perceptions are shaped as a consequence to their experience of the services delivered from frontline employees in the organization. In addition to this the level of previous customer experience with certain services served by other firms can have impact on customers’ perception of service effectiveness. Many studies point out that perception and expectation have strong link with each other (Parasuraman, Zeithaml, and Berry, 1985; Mersha, 1992; Avkiran, 1994). Customers’ perceptions are the outcome of how customers recognize service effectiveness; customers’ expectations on the other hand can be shaped through the influence of other people. For the purpose of this study the customer perception can be interpreted as what customer feels they actually receive with respect to the service effectiveness parameter delivered by frontline sales personnel employed in selected department stores.
1.4. Stress

Stress is a dynamic condition in which an individual is faced with an opportunity, restriction or demand related to what he or she wants to achieve and for which the end result is apparent to be both doubtful and important (Selye; 1936, 1956). According to Cooper & Marshall (1978), stress is essentially individually defined and must be understood with reference to characteristics of both the individual and his environment, as it is the outcome of the two.

Organizational stress have evolved from the organizational demands confronted by the individuals (Aziz, Mohsin; 2004). Unnoticed organizational stress not only affects the productivity of the employees but is also detrimental to health & morale of employees (Calabrese et al. 1987; Cohen and Williamson, 1991). Stress can be viewed as being tense, anxious or worried according to a common man. Literature has given many definitions of the word stress. All of these definitions can be placed into one of the following two categories, a stimulus or a response (Lazarus & Folkman, 1984). Stress can be seen as a characteristic or event that may result in a disruptive consequence in stimulus definition. In a response definition, stress is treated partially as a consequence of some stimulus, called a stressor. A stressor is a probably harmful or threatening external event or situation like in case of the analysis under study job role stress can be denoted to stressors like role conflict and role ambiguity. Thus in case of analysis under study job role stress can be said to be the consequence of the interaction between an environmental stimulus (a stressor) namely role conflict and role ambiguity and the individual's response for e.g. feeling demotivated, deteriorating service quality etc. That is, stress is the effect of a distinct interaction between stimulus conditions in the context and the individual's predisposition to respond in a particular way.

1.4.1. Role stress

In most of the complex organizations every individual belongs to more than one group and thus have to play multiple roles (Katz and Kahn, 1978). The term role has many definitions. According to Biddle & Thomas (1966) role is defined as “the set of prescriptions defining what the behavior of position member should be” (p.29). Role
concepts in the organizations can be used as the means of connecting link between individual and organizational levels of research & theory, it can be considered as edifice between social system & combination of requirements with which such systems tackle their members as individuals (Katz & Kahn, 1978).

Roles are created so that they can be functional for both organization as well as individuals but sometimes they can be extremely dysfunctional (Gross, Mason and McEachern 1958; Kahn et al. 1964). Role conflict and role ambiguity are the dysfunctional outcomes of job role concept. The below mentioned 10 job role stressors have been identified by Pareek (1993):

**Inter-Role Distance**
Conflict is bound to be there when an individual occupies more than one role. Inter-role distance is this conflict between the organization role and other roles.

**Role Stagnation**
Managers of most of the fast growing organizations experience this kind of stress where due to speed of growth there is little time left for systematic manpower planning. Thus role stagnation takes place when individual feels there are few growth opportunities in the organization where the individual is working.

**Role Conflict**
Role conflict means conflicting expectations from the individual by different persons like boss, peers, subordinates, customers etc. in the organization.

**Role Erosion**
Role erosion occurs when important tasks to be undertaken by individual are performed by some other person. This may lead to individual thinking his new role is less important than previous role. This happens when organizations are restructuring, where in it may lead to exclusion of some roles and formation of new ones.

**Role Overload**
Role overload is the result of difference between the standard output and the actual output. When role overload is high, neither assigning the job to someone else nor assistance, is useful towards role performance.
**Role Isolation**
Role Isolation result due to lack of linkages between individual’s roles with other roles in the organization. In a role set, an individual occupying the role feels that certain roles are psychologically closer to him due to regularity and ease of dealings. When such interactions occur repeatedly, the role isolation will be low and when such interactions are rare or not present the role isolation is felt high. Hence role isolation can be quantified in terms of the existing and the desired interactions.

**Personal Inadequacy**
This stress is faced if the individual is not given required training before occupying the said role in the organization.

**Self-Role Distance**
This stress results because of the conflict between the self-concept and the expectations of the role, as felt by the individual occupying the role. For example if an individual who is an introvert, accepts role of frontline employee where in continuous interaction with clients is essential, it may lead to development of self role distance.

**Role Ambiguity**
Role ambiguity is felt due to lack of clarity regarding the job responsibilities. Sometimes role ambiguity may result out of occupying roles which are newly created in an organization.

**Resources Inadequacy**
Resource inadequacy stress is faced due to lack of required resources such as information, material, finance, people etc. for effective role performance.
Several researchers have found that role conflict & role ambiguity leads to turnover, reduced performance, lack of employee focus on job, employee dissatisfaction etc. According to Sager (1994\textsuperscript{71}) job stress may have an impact on employee commitment towards organization influencing the employee to leave the organization. The focus of this analysis will be on job role stressors i.e. job role conflict and job role ambiguity faced by the sales people of departmental stores located in central, harbor & western suburbs of Mumbai.
1.4.1.1. Role conflict

Role conflict is defined as “The simultaneous occurrence of two (or more) sets of pressures such that compliance with one would make more difficult compliance with the other” (Kahn et al. 1964, p. 19). For frontline employees expectations of the organization and expectations of customers may collide. For example, when a superior expects that an employee caters to as many customers as possible, a customer at the same time may demand personal attention.

1.4.1.2. Role ambiguity

Kahn et al. (1964), Walker et al. (1975) mentions that role ambiguity occurs when employee does not have sufficient information about the job to be performed. (Chenet, Tynan, & Money, 2000; Sutherland, & Cooper, 1991). In case during induction or promotion or transfer if newcomer's/employees roles were not defined in a clear way, these newcomers/employees might experience role ambiguity. This situation might lead to misinterpretation of job demands, norms, rules and policies.

Role ambiguity is termed as the presence of a lack of transparency in the roles an employee is expected to fulfill (Katz and Kahn, 1978). Since employee needs to understand clearly what his or her role is, not having clarity about one’s role may lead to higher levels of job stress and also directly lead to lower levels of job satisfaction (Slattery et al. 2008).

1.5. Employee performance

Job performance is characterized as the degree, to which employees execute tasks, responsibilities, and assignments (Wetzels et al. 2000). According to Kaplan and Jones (1998) job performance of retail frontline employees are of vital significance to their employers as evidenced by the financial resources invested in developing a well-trained workforce. In the manufacturing sector, job performance often means a single quantifiable outcome that focuses on instant results such as sales volume. On the other hand it is viewpoint of Bush et al. (1990) that retail front line employees job performance assessment should be overall and comprise of both outcome (e.g. sales) i.e.
service efficiency and behavior (e.g. customer orientation) i.e. service effectiveness both being important aspects of service productivity which affect profitability of any retail store.

Employee role performance refers to behaviors of frontline employees towards the organization, individual and group that can be broadly categorized as—prosocial role performance & non-role performance (Bettencourt and Brown 1997).  

**1.5.1. Prosocial role performance**

Prosocial role performance can be perceived as helpful behaviors of employees aimed toward the organization or toward other individuals (Bettencourt and Brown 1997). Frontline employee role performance may be directed towards either co-workers or customers (Brief and Motowidlo 1986; George and Bettenhausen 1990). Co-worker directed prosocial behaviors are organizational citizenship behaviors directed toward co-workers and performed by employees. Customer-directed prosocial behaviors or the prosocial role performances are directed towards and perceived by the customer. These behaviors are of particular interest in this study as these behaviors enable to understand the relationship between frontline employee role performance towards the customers and service effectiveness. For the purpose of the study the customer-directed prosocial behaviors will be called as “frontline employee role performance towards the customers”.

**1.5.2. Non role performance**

If the employees are underpaid, if they face ambiguity with respect to their job responsibilities, if there is conflict with respect to their job expectations, the result is the prevalence of harmful outcomes such as demotivation, absenteeism etc. (Johns 1997). This further leads to indulgence in behavior (Kidwell and Bennett 1993; Kidwell and Robie 2003) that may violate work norms and perceptions of service effectiveness, and therefore be considered non-role performance (Robinson and Bennett 1995).
1.6. Human Resource Issues in Retail

India is considered to be the most promising land for global and domestic retailers due to boom in consumerism and youth hefty customer base. This boom in retail sector in India and its corresponding increase in demand for talent have made it essential to have well defined human resources management policies for retail employees especially the frontline employees who are in direct contact with the customers and can have impact on their purchase decision. Although AT Kearny places India as most lucrative retail marketplace for the second consecutive year in a row but it is lagging behind in the retail labor index and positioned in the 8th place.

The nature of Human Resource Management in India is known to be ‘context specific’ (Brewster, 1999). Budhwar et.al. (2001) argue that the Human Resource Management system varies from country to country and can either be universal or context specific, like in India’s case where there is a strong relationship between the social contacts and human resource management practices like career development, leadership etc. which presents the context-specific nature of such a practice. At this point of time talent is in short supply and employee attrition has been high for all players. It is very difficult to get service oriented frontline sales people to run stores. The retailer is ready with the space and consumer base but availability of effective experienced frontline employees to provide service excellence is still a big question mark. The attrition rate is also very high in retail industry and there are very few bilateral pacts between retailers with respect to anti-poaching initiatives. There is completely no problem in getting retailing space in prime locations but the bigger concern is to find right kind of frontline sales people. The way the sector is growing in terms of starting outlets it is can be easily forecasted that there is going to be huge shortage of experienced frontline employees and qualified staff to deliver the desired services.

According to a recent study conducted by Wharton (2007) a Canadian Consulting firm on retail customer satisfaction, it was found that stressed, demotivated and unwelcoming frontline employees leads to more loss of business due to negative word−of−mouth. In service sector the main role of frontline employees is controlling the emotional
responses of the customers during the service encounter. This role requires emotional self-appraisal of the frontline employees in case of the research under study the sales personnel, but if they themselves are stressed out, customer satisfaction will be a question mark affecting the profitability of the retail store. Thus customer perception of service effectiveness and job role stressors can be considered to be the major challenges of human resources in retail.

There are other HR issues such as employee performance, training and development, organizational commitment which should also be tackled (Budhwar et al., 2006). For the internal customer satisfaction i.e. employee satisfaction skill building could be seen as an tool to authorize the individuals and improve their social acceptance or value resulting in reduction of effect of job role stressors i.e. role conflict and role ambiguity.

The contemporary implication of skill building or skill development in India is outcome of the changing demographic profiles in India vis-à-vis China, Western Europe and North America. It is noteworthy that by 2020, India’s average age population is estimated to be 29 years as against 37 in the US, 45 in Western Europe and 48 in Japan. These changing demographic profiles point out that India has a distinctive 20 to 25 years’ window of opportunity called the ‘demographic dividend’. The decline in the birth rate leads to changes in the age distribution and leads to smaller percentage of entire population in the reliant ages and for a relatively larger proportion in the productive labor force. The result is a low dependency ratio which can lead to comparative cost benefit and competitiveness to the economy (government of India, 12th Plan, 2010). India possesses a rapidly growing cadre of promising young population, a large educational system, government support and there is a cultural willingness among employees if they are compensated and trained well to work cooperatively with management. If these resources are utilized at an optimum level it will be possible to build up a large talent pool to fulfill the budding demand for various positions in the retail organization. (P K Sinha and Kar, 2007; Singh and Mishra, 2008)
1.7. Research Objective

The principal aim of the study is to fill an important gap in the existing knowledge of human resource management systems in the retail industry in India, by developing more understanding than that currently exists with respect to service effectiveness, frontline employee role performance towards the customers and job role stressors i.e. role conflict and role ambiguity parameters by examining relationship among the three variables.

1.7.1. Main Objectives

The main objectives of this research are:

To examine if gap exist between customer expectations and customer perception of service effectiveness delivered by frontline employees.

To investigate the factors those are prominent to describe customer expectations of service effectiveness (Naik and Srinivasan, 2015)

To investigate the factors those are prominent to describe customer perception of service effectiveness (Naik and Srinivasan, 2015)

To examine dependency between service effectiveness factors & frontline employee role performance towards the customers.

To investigate the significance of role conflict on frontline employee role performance towards the customers.

To investigate the significance of role ambiguity on frontline employee role performance towards the customers.

To examine the direction of relationship between job role stressors and frontline employee role performance towards the customers.

To examine the direction of relationship between service effectiveness and frontline employee role performance towards the customers.

To examine the direction of relationship between service effectiveness and job role stressors.
1.7.2. Other objectives

Other objectives related to demographic profile of customers and background information of frontline employees includes:

To study the demographic profile of the customers surveyed for the purpose of the study.
To study the background information of the frontline employees surveyed for the purpose of the study.

1.8. Statement of Problem

There is in-depth research carried out in the retail sector and on its multifarious aspects. Akhter et.al, 2012 study focused on challenges and opportunities in organized retail sector in India. The study conducted by Lakshete, 2011 revealed issues like job role stress, inefficient employee performance do exist and need attention at organized retail sector level in India. Many researchers have also worked on various domains, like the human resource management systems and practices in India (Budhwar et al. 2006), job satisfaction (E-sat survey 2004) and burnout prevention (Kanwar et al. 2009) with respect to the service industry. Researchers like Rust et.al 1995, Hartline et.al, 1996, Piyali et.al, 2010 have carried out research in the area of customer expectations and customer perceptions of service quality both in India and abroad but very few researches are targeted towards department stores in India. In the current retail scenario the main unique selling point of retail industry which is prominently a service industry is satisfied customer. When it comes to services how a customer perceives the service effectiveness that is gap between expected & perceived service quality will affect satisfaction & retention level of customers. Customer satisfaction does not include only delivering the desired product or service it also includes how the product or service is delivered along with the after sales service provided. (Naik and Srinivasan, 2015)

The main focus of this research involves understanding the factors that have significant impact on perception of service quality of customers, wherein most of the factors are related to frontline employees as customers in any service sector are majorly influenced by their interaction with the frontline customers. For this research departmental
format is selected because it is in this context where in there is high level of interaction between frontline sales personnel and customers & purchasing decisions of the customers are affected by these interactions to a major extent (Naik and Srinivasasen, 2015). Researchers have acknowledged both the direct and indirect costs of stress (Matteson and Ivancevich, 1987). This is the reason; the significance of a stress-free work environment cannot be ignored by an organization thus making this research very important as one of the themes of this research is making organization realize the job role stressors impact on frontline employee role performance towards the customers and service effectiveness. This will enable the organization to inhibit or control the factors leading to job role stress.

This research comprises of 4 studies comprising of:

- Customer expectation and customer perception of service delivered by frontline employees
- Frontline employee role performance towards the customers and service effectiveness factors
- Frontline employee role performance towards the customers and job role stressors i.e. role conflict and role ambiguity
- Direction of relationship among frontline employee role performance towards the customers, job role stressors and service effectiveness

The research method used includes explanatory research. The department stores located in central, western and harbor suburbs of Mumbai are selected for the study as Mumbai is the financial capital of India having high density of department stores. The sampling technique used for frontline employees include stratified random sampling and customers include convenience sampling.

1.9. Ethical considerations

The research conducted is independent and impartial. Throughout the research period care was taken to maintain utmost integrity and quality of research. The respondents of
the questionnaire were given full disclosure with respect to the nature of the study and also were given an extended opportunity to ask questions in case of any doubt or clarifications needed. The confidentiality was maintained with respect to the names of the departmental stores and respondents as per their request.

The participation of the respondents in the study was on voluntary basis. As regards to questionnaire administration the team comprised of MMS students and the researcher. The MMS students were in the age group of 20 – 24 years and were in the first year of the Masters of Management Studies of University of Mumbai and they did this as a part of their assignment on the subject – Human resource management and Organizational Behavior. This was a learning experience for them, as well. The research methodology was planned in such a manner that the chance for misleading results was minimized by means of pilot survey and use of appropriate tools and techniques for data collection and analysis.

1.10. Thesis Overview

Subsequent chapters in this thesis will proceed as follows: The second chapter is organized as follows. First, the background of the retail industry and evolution of retail in India is given. Secondly the customer expectation and customer perception parameter of service delivery are reviewed the gap between which specifies the effectiveness of the service delivered by the frontline employees. The third section presents the consequences of frontline employee role performance, namely the service effectiveness and service efficiency dimensions of service productivity. In the fourth section the two forms of frontline employee role performance relevant to this study are introduced (prosocial role performance & non role performance). Fifth section explains the theoretical and empirical literature on job role stressors i.e. role conflict & role ambiguity are discussed. The sixth section focuses on theories linking internal service quality to employee role performance setting up the premise for the seventh section which deals with the relationship among frontline employee role performance towards the customers, service effectiveness and job role stressors. This is followed by the summary.
The third chapter deals with different models like Heskett & colleagues (1994, 2003) framework, Eisenberger’s (1986) Perceived organizational support model, Hackman and Oldham (1976, 1980) Work design model, Terblanche and Boshoff’s (2001) total retail experience model and Parasuraman et al. (1985) SERVQUAL model, that are used as base models to develop the proposed model for research under study which helps in integration of the constructs like service effectiveness, employee role performance towards customers, role conflict and role ambiguity. This proposed model is further used for hypotheses formulation and testing.

The fourth chapter addresses all major aspects of the research design and analysis of data. These aspects are discussed in various stages. First descriptive information about the research design and sampling approach are discussed. This is followed by data collection method, questionnaire construction, questionnaire administration, measurement scales and reliability & validation of the measurement scales.

The fifth chapter deals with the data analysis and interpretation of the research under study along with the specifications with respect to statistical tools used for analysis. The sixth chapter addresses findings and implications in different stages. The first section explains the results in relation to the key findings, prior research, and the contributions made by this study. The second section and third section discusses the findings with respect to background information of employees and demographics of customers respectively. The fourth section discusses organizational and managerial implications. The fifth section discusses the limitations of the empirical study and the seventh section provides directions for future research. This is followed by appendices comprising of cover letters, copy of survey questionnaire administered to the respondents and list of publications by the researcher. This will be finally followed by the references.