CHAPTER - I

INTRODUCTION

1.1 Retail Boom in India

Indian economy started growing since 1991 liberalization, particularly after 2002 it has made breathless run with average annual growth rate of 7.2%, despite global economic meltdown in 2009. (Goldman Sachs, 2003) reported that the Indian economy will be world’s third largest economy behind USA and China in 2032. The economic growth has offered number of changes in Indian society as increased number of towns, increased education and health awareness (census, 2011), more working women, increased middle class at the rate 12.7% (Asia research report, 2009), reduced poverty (Beinhocker et al.2007). The increased incomes, heavy advertising, and a jump in the number of women working in the country's urban centers have made goods more attainable and enticing to a larger portion of population. At the same time, trade liberalization and more sophisticated manufacturing techniques create goods that are less expensive and higher quality. All the above have made Indian population for increasing consumption and willingness to spend in the market. This change has offered paved for making retail more attractive.

Earlier the entire research and studies in management was concentrated in
marketing and its related activities, retailing was never being considered seriously as a field of academic interest or business activity. Now, changing economic scenario has offered an exciting new playing field - Retailing as an industry and academic field. Retailing is a critical activity of the business where consumer/user directly interfaces with a seller or the person dealing at the retail outlet. Retailing is the last business activity in the chain of production and ends up with consumption. It is fairly clear that retailing consists of activities which are directed towards "ultimate consumer" (journal of Retailing, Mason, Mayer and Ezell, P.5, 1991). "A business that sells products and services to ultimate consumers" (Levy and Weitz, P. 419, 1996). Therefore, retailing as an activity is very critical and important, hence the person(s) and/or activities involved at the retail counter needs important attention in studies.

The primary effort of all business/service organization is to reach to ultimate customer and in this process retail is the institution that mediates for creating a trade off. Manufacturing, service organization quest for getting and retaining a customer since retaining a customer is tougher assignment; in same line, a customer is seeking value not in the goods but also from transaction. Therefore, the needs and wants to do and create new have paved retail revolution across all continents. The Retail Revolution has just about begun only in India but also across the globe.

In India, Retail Industry is now on threshold of quantum growth; today,
organized retail is only $8 Billion i.e. 3.5% of total Indian Retail market. It is predicted to reach $21.5 Billion by 2010 (India Retail Report, P.156, 2007). Spurring this growth in retail, the need for quality retail employee is paramount; the spurring growth in retail will give tremendous support to the economy; as, in creation of ample job opportunity, value to customer in terms of shopping experience, quality product, better customer relations etc. All this requires substantially good and quality human resources in retail.

The ICRIER study shows that the unorganized segment is itself stratified. The study defines an "unorganized" retailer as one that is run locally and which does not have technical and accounting standardization. This definition, includes the mass of Indian retailing, but excludes some of the more popular retail outlets, classified as an unorganized retailer because it does not employ the "standard" technical and accounting practices. India, like Britain, is a nation of shopkeepers. With over 12 million retail outlets, India has the highest number of retail outlets in the world with one for approximately for 90 persons; the country is the 9th largest retail market in the world, with annual estimated Rs 9,60,000.00 crore (US $ 215 Billion) retail market. The organized retail in this enormous market is Rs 35,000.00 crore (US $8 Billion) that accounts only 3.5% market share of total retail trade (Pankaj Gupta- Practice Head-Consumer and Retail, 2006).

About four crore people are employed in retail trade. Assuming that each
person supports a family of five, this implies that about 20 crore people are dependent on retail trade. For a vast majority of these households, retailing is a euphemism for a marginal existence in article in the Economic and Political weekly (Guruswamy et al, February 12, 2005.) pointed out that the principal reason for the explosive expansion in retail trade and its fragmented nature is the fact that it is the primary form of disguised unemployment/underemployment. In India, retail sector is contributing 13% to GDP and employing 6% of the total workforce (India Retail Report, P. 218, 2007.), Only Agriculture employs more. The expansion of organized retail industry in India will create more than 2.5 million job opportunities by 2010 directly (ABD study, The Times Of India, 12 June 2007.), and retail sector will create maximum number of job opportunities among the upcoming fields, whether it is direct selling or buying and merchandising, retail industry has numerous jobs to offer; to suit the talent and qualifications of the people of various ages and academic backgrounds. These are retail manager, store/back manager, visual merchandiser, pay roll administrator, category manager, buying administrator, product manager, commercial officer, key holder or designer are some of the jobs offered by the retail sector. If one looks at the people working in this sector, one can find that they have long hours in standing, late duty hours and more verbal communication with consumers followed by unattractive pay package, position without social status and job insecurity which ultimately leads to high level stress, low organizational commitment and less job
satisfaction among employees working in this newly emerged sector in our economy.

Globalization and its consequent challenges have significant impact on organization and people. Due to this in the field of Organizational behaviour and Human Resource Management now a day, more stress is given to the specific employee attitude towards job satisfaction and organizational commitment. Job satisfaction focuses employee attitude towards their job whereas organizational commitment focuses on their attitudes towards the overall organization. Companies are reconsidering the role their employees play in determining the success of the organization in the long run. Employees or human resources are the most valuable assets for any organization, even for a retailing firm or outlet. Their satisfaction and commitment with the job, motivation is equally important to an organization along with the profiteering to sustain in the long run. Retail sector in India is a major employer in India and all over the world. Retail sector employs a large number of less educated, less experienced or inexperienced workers.

Paradoxically, while investors in this sector are highly concerned to attract right talent and worried to retain them but, declining job satisfaction, low commitment and fast turnover among the employees in this sector, is going to pose serious challenges to the managers and management of this industry, hence the present study.
1.2 Concept of Job Satisfaction

Job satisfaction is a broad concept that describes an individual’s general attitude toward one’s job (Robbins, Millett, Cacioppe, & Waters-Marsh, 1998). This concept was first popularized with the publishing of a book titled “Job Satisfaction” by Hoppock in 1935. Hoppock (1935) defined job satisfaction as any combination of psychological, physiological and environmental circumstances that causes a person truthfully to say, I am satisfied with the job. According to Gruneberg (1976) it is all the feelings that an individual has about his job. Herzberg and Mausner (1959) define it as a function of satisfaction with the various elements of the job. According to Price (2001), job satisfaction is the affective orientation that an employee has towards his or her work. Conrad et al. (1985) are of the opinion that it is a match between what individuals perceive they need and what rewards they perceive they receive from their jobs. (Adams, 1963) when employees feel that their outcomes (e.g. pay, recognition) compared to their inputs (e.g. effort, perceived performance) are fair relative to their organization, they are far more likely to feel job satisfaction.

According to Locke (1983) it refers to the rewarding nature of a person’s work and has been defined as a pleasurable or positive emotional state resulting from the appraisal on one’s job or job experience. Armstrong (1996) defined job satisfaction as “the attitudes and feelings people have about their job. Positive
and favorable attitudes towards the job indicate job satisfaction, and negative and unfavorable attitudes towards the job indicate job dissatisfaction”. Job satisfaction is simply how people feel about their jobs and different aspects of their jobs. It is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs. (Spector, 1997).

An alternative approach is that proposed by Sousa-Poza and Sousa-Poza (2000), based on the assumption that there are basic and universal human needs, and that, if an individual’s needs are fulfilled in their current situation, then that individual will be happy. This framework postulates that job satisfaction depends on the balance between work-role inputs - such as education, working time, effort - and work-role outputs - wages, fringe benefits, status, working conditions, intrinsic aspects of the job. If work-role outputs (‘pleasures’) increase relative to work-role inputs (‘pains’), then job satisfaction will increase.

According to Fogarty (1994) job satisfaction refers to the extent to which employees gain enjoyment from their efforts at the workplace. Hackman and Oldham (1980) are of the opinion that when an employee has a high level of job satisfaction, it means that they have a positive attitude towards his/her job. On the other hand, there are a number of factors that can affect employees’ job satisfaction such as satisfaction with: supervision at work, work itself, pay and conditions, appraisal, promotion practices and co-workers.
Other theorists such as Rose (2001) have viewed job satisfaction as a bi-dimensional concept consisting of intrinsic and extrinsic satisfaction dimensions. Intrinsic sources of satisfaction depend on the individual characteristics of the person, such as the ability to use initiative, relations with supervisors, or the work that the person actually performs; these are symbolic or qualitative facets of the job. Extrinsic sources of satisfaction are situational and depend on the environment, such as pay, promotion, or job security; these are financial and other material rewards or advantages of a job. Both extrinsic and intrinsic job facets should be represented, as equally as possible, in a composite measure of overall job satisfaction. According to Ganguli (1994) job satisfaction is an attitude which results from a balancing and summation of many specific likes and dislikes experienced in connection with the job. Olsen (1993) considered job satisfaction as positive emotional response to a job situation resulting from attaining what the employee wants and values from the job.

### 1.3 Importance of Job Satisfaction

Job satisfaction is of great significance for efficient functioning and profitable functioning of any organization. It is regarded as a very significant factor in worker’s morale, absenteeism, accidents, and turnover and to some extent productivity. Moreover, job satisfaction is considered a strong predictor of
overall individual well-being (Diaz-Serrano and Cabral Vieira, 2005), as well as a good predictor of intentions or decisions of employees to leave a job (Gazioglu and Tansel, 2002). Organizations have significant effects on the people who work for them and some of those effects are reflected in how people feel about their work (Spector, 1997). This makes job satisfaction an issue of substantial importance for both employers and employees. As many studies suggest, employers benefit from satisfied employees as they are more likely to profit from lower staff turnover and higher productivity if their employees experience a high level of job satisfaction. Satisfied employees are greatest assets of any organization and dissatisfied employees are biggest liability. The cooperation that the management may derive from the employees would depend greatly on the extent of satisfaction amongst them. According to Ghosh (1975) employer employee relationship is like a “marriage”, and the success of any marriage depends essentially on the cooperative, contributory and complimentary efforts on the parts of both the partners. Dissatisfaction on the part of either partner with the other result in the failure of this vital relationship. Since individuals join to make small groups, small groups together make large organizations and large organizations constitute the society, job satisfaction is of great importance for the individuals, the organizations which employ them, and the society as a whole.
As Lawler (1995) noted, “Job satisfaction is one measure of the quality of life in organizations and is worth understanding and increasing even if it doesn’t relate to the performance. This reason of studying satisfaction is likely to be and increasingly prominent one as we begin to worry more about the effects working in organizations has on people and as our humanitarian concern for the kind of psychological experiences people have during their lives increases. What happens to people during the work day has profound effects on in individual employee’s life and on the society as a whole, and thus these events can not be ignored if quality of life in a society is to be high.”

1.4 Sources of Job Satisfaction

Job Satisfaction is caused by several factors which are interrelated and those factors differs from person to person, organization to organization, culture to culture etc. These According to Judge et al (1995) sources of job satisfaction to employees in a given organization vary depending on the organization, employees and their interaction. George and Jones (1999), and Mullins (2002) suggest that in general a wide range of individual, organizational, social, cultural and environmental factors affect the level of job satisfaction. Bonache (2005) wrote that most important element of an individual’s job satisfaction is probably related to characteristics of the position occupied. (McC Campbell, 1996) found that autonomy and responsibility usually results in a greater job
satisfaction. An expectation created is frequently optimistic, and meeting expectations would higher job satisfaction (Pickard, 1999)

Employees’ perception that they are over qualified for their posts adversely affect their job satisfaction, and if job does not match the professional values of the employee they feel dissatisfied (Cabral, 2005). Kandall (1981) reduction in autonomy can also leads to lower motivation and increases job dissatisfaction.

The Psychological sources of job satisfaction include experience, social learning, association and dispositions. Most of the studies group the factors affecting job satisfaction into three categories: (i) personal factors, (ii) factors inherent in the job, and (iii) factors controlled by management.

1.4.1 Personal Factors

Personal factors play very important role in determining job satisfaction. Personal factors include age, gender, education, service length, intelligence, ethnicity, marital status etc.

(i) **Age**: Job satisfaction differs with respect to age. Various research studies suggest that there is a positive association between age and job satisfaction. Dewar and Werbel( 1979); Rhodes (1983); Zeits (1990); Clark. Oswald, and Warr (1996) found from their study that older employees are more satisfied than younger employees.
(ii) **Gender:** It is an important source of job satisfaction at work. Now a day women are entering into the jobs traditionally held by men. Spector (1996) compared men and women in his study and found no gender differences in their overall job satisfaction. Weaver (1980) found no gender discrimination in job satisfaction and on the other hand (McNeely, 1984) reported that females to be more intrinsically satisfied, and 1991 in the British Household Panel Survey, women reported more job satisfaction then men (Clark,1996). Moreover, men and women are quite different in what they consider to be important at work. Perhaps women are satisfied with their work because they expect little. However rising expectation of women will produce differences in job satisfaction.

(iii) **Intelligence:** Intelligence appears as major determinant of job satisfaction. The satisfaction depends on the level and range of intelligence and challenges of the job. Scultz and Schultz (2002) were of the opinion that Intelligence when considered in relation to the type of work a person chooses, may appear as an important factor of satisfaction. Ganzach(1998) in a study of US workers showed that more intelligent people held jobs with high interest and challenge. People whose jobs are not sufficiently challenging for their level of intelligence reported greater dissatisfaction on their work.
(iv) **Length of Service:** Several research have indicated that job satisfaction is relatively high at the beginning, drops down after fifth or eight year, then rises with more time on the job. The highest morale is reached after the twentieth year.

(v) **Education:** According to Rao (1989) keeping the occupational level constant, those who are well qualified experience lower job satisfaction. Now a days many employees are over qualified for their jobs and they believe that their work should provide greater responsibility and satisfaction. Lack of concrete reward and promotion policies also induce dissatisfaction among educated employees.

(vi) **Marital Status and Number of Dependents:** Judge and Watanabe (1993) reported that there is positive relationship between marital status and job satisfaction. Married employees have been found more satisfied from their work. According to Rao (1989) if a person is having more dependents, probably due to the stress of financial requirements or needs, the less satisfaction is felt by him or her with the job.
1.4.2 Factors inherent in the Job

(i) **Type of Work**: it is a major source of intrinsic satisfaction. According to Shalley, Gibson, and Blum (2000) people in highly creative and challenging jobs reported higher satisfaction than others. Also job satisfaction is more likely to be reported high by entrepreneurs or self employed people and by the persons in technical, professional and managerial jobs (Paulus, Seta, and Baron, 1996). According to Weaver (1980), Schultz and Schultz (2002) the less satisfied employees are in the manufacturing and service industries and in wholesale and retail business.

(ii) **Skills and Abilities**: According to Glisson and Durick (1988) job which allows workers to use a number of different skills and abilities in executing his or her duties bears on his or her job satisfaction. Use of skills has a great bearing on several factors such as occupational status, responsibility and performance. Sibbald et al. (2000) have found from the study of general practitioners that physicians were generally dissatisfied on the opportunities to use their abilities.

(iii) **Occupational Status**: studies reveal that employees have more job satisfaction in white collar jobs and they are dissatisfied in the jobs
which have less social status and prestige. The status depends not only on the way employee regards about the job but also on the way it is regarded by the others.

(iv) **Geography:** the place where a person lives affects job satisfaction. People in the big cities have less satisfaction with their jobs than those in smaller cities and towns.

(v) **Size of the Organization:** people working in a small plant are more satisfied in comparison to a bigger one. People in small organization know each other better, are more cooperative in comparison to big organizations.

(vi) **Task Characteristics:** A task characteristic is considered as an antecedent of job satisfaction (Hackman and Oldman, 1980).

(vii) **Role Ambiguity, Role Conflict and Role Overload:** There is general correlation between job satisfaction and role ambiguity and role conflict (Jackson and Schuler, 1985) and relate negatively to job satisfaction (Mathieu, 1991).

Wanous(1974) suggested that sales person performance and job satisfaction are liked but causal ordering depends upon one looks at extrinsic or intrinsic satisfaction. While considering intrinsic job satisfaction he concluded that job
satisfaction might affect performance whereas on considering extrinsic job satisfaction found that performance affects extrinsic satisfaction.

1.4.3 Factors controlled by Management

(i) Supervision: supervision is one of the most important factors related to job satisfaction which brings great amount of satisfaction as well as dissatisfaction. Qualities of supervision also determine the satisfaction of employees. Kilimosky and Haynes (1980) found that supervisor behaviour influence most facets of job satisfaction. There are two aspects of supervisor behaviour: (i) interpersonal support, i.e. supervisor’s interest in the person’s welfare; and (ii) technical support i.e. extent to which supervisor provides technical and task related help and guidance. Employee feel more satisfied if the supervisor takes a personal interest and care about them, and promote a participative environment.

(ii) Co-workers: coworkers affect job satisfaction of an individual in different manners. Friendly, concerned and cooperative coworkers provide support, comfort, advice and assistance and hence increase job satisfaction in comparison to difficult coworkers. The size of the group also affects job satisfaction. Generally, smaller work group
have higher job satisfaction among its members due to mutual trust and understanding.

(iii) **Employer-employee relationship**: a good employer–employee relationship is important for the job satisfaction of employees, as it creates mutual trust, feeling of belongingness which further enhances profitability.

(iv) **Security**: it is an important factor because with the stages of the lifecycle of a man, the urge for job security increases with increase in family responsibility as well as number of dependents. If job is secured it enhances job satisfaction.

(v) **Pay**: Satisfaction with pay is strongly influenced by what people think as standard or fair and what they receive. According to Heneman and Schwab (1985) there are more reasons to be satisfied or dissatisfied than simply the overall amount of pay and these include: satisfaction with pay level, benefits, pay rises, and the structure and administration of pay policy.

(vi) **Fringe benefits**: fringe benefits such as retirement provisions, medical benefits, leaves are also important to enhance job satisfaction but not influential as pay. Barber, Dunham and
Formisano (1992) found in their study that fringe benefits increases employee satisfaction.

(vii) **Opportunity for Advancement:** it is strong contributor towards job satisfaction. Promotion provides opportunities for personal growth, more responsibilities, and increased social status. It brings an increase in pay and thus provide satisfaction. According to Witt and Nye (1992) if individuals perceive that promotion are made in fair manner than they are likely to experience from job.

(viii) **Working Conditions:** working conditions are related with the context in which job is performed good, comfortable and safe working conditions appears to be appropriate for job satisfaction. Good working conditions, atmosphere, pleasing surrounding help in increasing job satisfaction which finally result in increasing profitability of the organization.

(ix) **Organizational Policies:** now a days employees require family friendly policies by organizations to cope up with work- family conflict. According to Shellengberger (1991); and Singh (2005) family friendly policies of the organization such as family care leave, sick leaves, child care leave, flexible work schedules, work at home
programmes, job sharing, school holiday programs and counseling contribute towards job satisfaction.

(x) **Employees Expectations**: employee’s expectation can also act as a source of satisfaction. Pulakos and Schmitt (1983) found from their study that individuals with positive expectations about their job were more satisfied later on. In another study Wanous, Poland, Premack and Shannon-Davis (1991) found that individuals who are told the good and bad features of their jobs before they begin working have higher levels of job satisfaction, lower initial expectations about the job, and a lower rate of early turnover.

### 1.5 Concept of Organizational Commitment

Over the years organization commitment is conceptualized and defined in a number of ways. Organization commitment is emotional attachment towards an identity or organization. It is defined as a psychological link between the employee and his or her organization that makes it less likely that the employee will voluntarily leave the organization (Allen and Meyer, 1996). Organizational commitment is positive evaluation of the organization and the intention to work towards its goal (Shelton, 1971). Buchanan (1974, p533) describe commitment as (a) identification – adoption of as one’s own the goals and values of the organization, (b) involvement – psychological absorption in the
activities of one’s work role, (c) loyalty – a feeling of affection for and attachment to the organization. (Feyol, 1949) in two of their fourteen principles of management stressed for the stable tenure of personnel, and organization’s interest must take preference over individual’s or group’s interest but the issue was not discussed in details.

According to Becker (1960), employees are committed because of totally hidden or somewhat hidden investment, side bets, they have made by remaining in the organization. “Side bets” refers to the accumulation of investments valued by the individual which would be lost or deemed worthless if he/she were leaves the organization. The theory proposed that commitment increases as the number or size of side bets increases. Seven side bets are proposed as age, organizational tenure, hierarchical level - position, education, gender, marriage and salary. He described individual becomes committed to a course of action because costs associated behaving otherwise is too high. Hrebiniak and Allutto (1971) defined as unwillingness to leave the organization for increment in pays, status, or professional freedom or for greater colleagueal friendship.

Porter et.al.(1974,p604) defined commitment is “ the strength of an individual’s identification with and involvement in a particular organization”. Organizational commitment refers to identification with and loyalty to the organization and its goals (Blau and Boal, 1987) which Mowday
et al. (1979) defined as the relative strength of an individual’s identification with and involvement in a particular organization. It is an active relationship with the organization such that individuals are willing to give something of them in order to contribute to the organization’s well-being”. Lee (1971) defined organizational commitment as some degrees of belongingness or loyalty.

Hence, organizational commitment acts as a “psychological bond” to the organization that influences individuals to act in ways that are consistent with the interests of the organization (Porter et al., 1974; Mowday and McDade, 1979). According to O’Reilly and Chatman (1986) organizational commitment is the psychological attachment felt by the person for the organization, it will reflect the degree to which the individuals internalize or adopts characteristics or perspectives of the organization. While several definitions of organizational commitment abound, a common theme in most of them is that committed individuals believe in and accept organizational goals and values, are willing to remain with their organizations, and are willing to provide considerable effort on their behalf. Other researchers, on the other hand, have viewed commitment as remaining with the organization due to recognition of costs associated with leaving.

In particular, commitment is characterized by three factors: a strong belief in and an acceptance of the organization’s goals and values; a willingness to exert
considerable effort on behalf of the organization; and a strong desire to maintain membership in the organization.

Organizational commitment can be divided into continuance commitment and affective commitment (Mowday et al., 1982). Hrebinak and Alutto (1972) defined continuance commitment as “a structural phenomenon which occurs as a result of individual–organizational transactions and alterations in side-bets or investments over time”. Mowday et al. (1982) defined affective commitment as “the relative strength of an individual’s identification with and involvement in a particular organization”.

In general, research suggests that low levels of organizational commitment may be dysfunctional to both the organization and the individual, while high levels may have positive effects (i.e., higher performance, greater satisfaction, lower turnover) (Mathieu and Zajac, 1990). Reichers (1985, p 465) Commitment is a process of identification with goals of an organization’s multiple constituencies. These constituencies may include top management, customers, unions, organization and/or public at large. This concept may represent a natural evolution of the commitment construct.

Meyer and Allen (1991,1997) later developed a three component model of commitment in an attempt to draw together three process by which a person can show commitment to an organization and which added normative
commitment to affective and continuance commitment. Normative commitment derives from the individual's feelings of obligations to stay brought about by events before or after joining the organization and the three types of commitment were defined as follows (Meyer and Allen, 1991). Affective commitment refers to the employee's emotional attachment to, identification with, and involvement in the organization. Continuance commitment refers to an awareness of the costs associated with leaving the organization. Normative commitment reflects a feeling of obligation towards continued employment. Employees show commitment with organization because they want to – affective commitment, they need to – continuous commitment and they ought to – Normative commitment.

**1.6 The Importance of Organizational Commitment**

The organizational commitment is essential for the survival and effectiveness of the organization Buchanan II (1974, p533). Employee turnover is major area of concerned for any organization since it has direct link to the short term and long term impact which has finally high economic impact. Beck and Wilson(2000, p115) organizational commitment is important because of reported relationship between this variable and various indices of organizational efficiency and effectiveness. It has impacts as in short term cost of searching for new employees, training them, and foregoing the contributions of seasoned
employees during training and recruitment (Rhoades et al, 2001), in long run customer costs from employee defection (Schulz et al. 1987).

Organizational commitment has received more attention as both managers and organizational analysts seek ways to increase employees’ retention and performances (Steers, 1977). Employees commitment is important because it is better predictor of turnover than is job satisfaction (Porter et al., 1974) Also it is better indicator of organizational effectiveness( Steers, 1975). Cohen, 1991; DeCotiis and Summers, 1987; Mathieu and Zajac, 1990; Mowday et al., 1982;) found from their study that link between commitment and performance is patchy. Using their own measure of commitment, DeCotiis and Summers (1987) found no link between commitment and supervisor ratings of performance, although they did find a link between commitment and cost controls within the control of subjects. When commitment is based upon economic grounds or restricted job mobility (continuance commitment), small but significant negative correlations with performance behaviours have been observed (Meyer, Paunonen, Gallatly, Goffin and Jackson, 1989).

The relationship between commitment and performance is stronger when the financial requirements of employees are low (Brett, Cron and Slocum, 1995). Employees with private incomes or working partners had stronger commitment-performance relationships, contrary to expectations.
Organizational policies, systems and poor levels of management skills could intervene to prevent the highly committed person from converting his or her commitment into performance outcomes.

Organizational commitment is important where the attitudes and behaviour of individuals have a close link to organizational effectiveness. High commitment is thought to be an important factor in the successful conclusion of organizational change programmes (Beer, Eisenstat and Spector, 1990; Coulson-Thomas, 1992; Iverson, 1996).

In the short term, after a fall in commitment, an individual's output or performance may not fall but there remains the possibility however that the weakly committed individual will contribute in a negative way to the organization, perhaps by not 'talking-up' important issues with others, and pro-social behaviour may also be curtailed. In the long run, key skills may be lost to an organization through voluntary turnover which is one of the most widely reported consequences of low commitment (Mowday, et'al., 1982).

Organizations that require continuous new product development, not through gradual adaptation of products but through the continuous development of new concepts, rely upon commitment as a key ingredient of successful initiatives including, quality management (Speller and Ghobadian, 1993), achievement of marketing plans (Piercey and Morgan,
1991), turnaround strategies (Ghoshal, 1994), and technology management (Cleland and Bursic, 1992; Rothwell, 1992). Thus, high commitment seems to be a critical success factor where intellectual contributions to organizations; are needed, for example, from scientists and engineers, and where the behavior of individuals are inseparable from the success of service delivery.

Commitment and job satisfaction remains unclear (Bateman and Strasser, 1984; Curry, Wakefield, Price and Mueller, 1986; Vandenberg and Lance, 1992; Williams and Hazer, 1986), and while the association might not lead to higher individual performance for the organization, higher satisfaction should improve subjective well-being at work (Cook and Wall, 1980, p. 40)A further benefit of commitment to organizations is that it is closely associated with job satisfaction (Vandenberg and Lance, 1992).

1.7 Determinants of Organizational Commitment

There are a number of determinants that have been associated with organizational commitment. There have been a number of studies that have investigated the personal correlates of organizational commitment such as age, tenure, educational level, job level, gender and environmental alternatives etc. influence organizational commitment.
1.7.1 Age

With increase of age of employee their level of commitment towards their employing organizations increases. Research (Dinham, 1994) indicates a significant relationship between organizational commitment and age. Similarly, researchers (Meyer & Allen, 1997; Cramer, 1993; Loscocoo, 1990; Luthans, 1992; Mowday et al., 1982; Sekaran; 2000) support the findings that the relationship between organizational commitment and age, is significant.

Some theorists postulate that, as individual’s age, alternative employment opportunities become limited, thereby making their current jobs more attractive (Kacmar et al., 1999; Mathieu & Zajac, 1990; Mowday et al., 1982). Other proponents hypothesise that older individuals may be more committed to their organizations because they have a stronger investment and a greater history with the organization than do younger employees (Harrison & Hubbard, 1998; Kacmar et al., 1999).

Therefore, younger employees are generally likely to be more mobile and to have lower psychological investments in the organization. The older employees become, the less willing they are to sacrifice the benefits and idiosyncratic credits that are associated with seniority in the organization (Hellman, 1997).
1.7.2 Gender

It is found that women as a group tend to be more committed to their employing organization than are their male counterparts (Cramer, 1993; Harrison & Hubbard, 1998; Mathieu & Zajac, 1990; Mowday et al., 1982). According to Harrison and Hubbard (1998) women display greater commitment because they encounter fewer options for employment. However, Billingsley & Cross (1992); Ngo & Tsang (1998); Wahn (1998) did not find any relationship between gender and organizational commitment.

1.7.3 Level of Education

Chusmir (1982) cited in Vorster (1992) found that there is a positive relationship between commitment and educational qualifications, and level of education may be a predictor of commitment, particularly for working women. According to Luthans et al (1987) higher level of education of an employee lowers that individual’s level of organizational commitment. This is supported by Mathieu & Zajac (1990) and Mowday et al (1982). However, the level of education does not seem to be consistently related to an employee’s level of organizational commitment (Meyer & Allen, 1997).

1.7.4 Tenure

Researchers (Larkey & Morrill; 1995; Meyer & Allen, 1997; Mowday, et al.,1982) found that positive relationship exists between organizational
commitment and tenure. According to Loscocco (1990); Luthans (1992); Luthans, Baack & Taylor (1987); Mowday et al. (1982) tenure has a positive influence on organizational commitment. Sekaran (1992) explains that since tenure is associated with some status and prestige, it induces greater commitment and loyalty to the employing organization. Whereas, some researchers did not find any relationship between organizational commitment and tenure.

1.7.5 Environmental Available Alternatives

(Bateman and Strasser, 1984; Bluedorn, 1982; Price, 1977) demonstrated that there is strong relationship exist in organizational commitment and available environmental alternatives.

1.8 Linkage between Job Satisfaction and Organizational Commitment

In work place employee reflects different attitudes, and forms attitude about variety of work elements. Therefore, study of employee attitudes is of great interest and importance for the organization. Job satisfaction and organizational commitment are the two most widely used indicators of the work related attitudes or orientations. Both variables are affective in nature in the sense that they indicate people’s evaluation of the quality of their job as well as
attachment to the organization for which they work. (Maier and Brunstein, 2000).

Brooke et al. (1988) and Mathieu and Farr (1991) suggested that job satisfaction and organizational commitment are highly correlated but they constitute different concepts. Mowday, Porter and Steers (1982) differentiated the concept as organizational commitment is affective response to beliefs about the organization whereas affective response to the experience of specific job tasks. One way the two variables are highly correlated to each other whereas in another way they are not correlated. Glisson and Durick (1988, p 65) An employee holds positive beliefs about and is attached to a specific organization and its goal and values but unhappy about aspect of certain job within that organization, and vice versa.

Number of studies is done to understand the relationship between job satisfaction and organizational commitment. The relationship is studied in three ways as; Job satisfaction as antecedent to organizational commitment, organizational commitment as antecedent to job satisfaction and lastly organizational commitment and job satisfaction are independent construct and work as correlates.

First view is that commitment to the company develops from job satisfaction such that commitment mediates the effects of satisfaction on withdrawal
variables. This satisfaction-to-commitment mediation model reflects Porter, Steers, Mowday, and Boulian's (1974) claim that commitment takes longer to develop and is more stable than satisfaction, and has received considerable empirical support (e.g., Marsh & Manari, 1977; Mowday, Porter, & Steers, 1982; Price & Mueller, 1981; Williams & Hazer, 1986). Job satisfaction is considered attitudinal cause of commitment (Bluedorn, 1982). This model suggests that job satisfaction has only an indirect influence on the intention and/or decision to quit, and encourages study of mechanisms through which satisfied workers become committed to their organizations.

The second view holds that the direction of influence between satisfaction and commitment is the reverse of that above. The commitment-to-satisfaction mediation model suggests that commitment to the company engenders a positive attitude toward the job, possibly through a rationalization process (Bem, 1967; Salancik & Pfeffer, 1978), and people leave or stay based on how they feel about their jobs. That commitment to the company may develop prior to entry that is the initial decision to join an organization is related to subsequent commitment and satisfaction (O'Reilly & Caldwell, 1981; Schein, 1968) or at least may be evident at early stages of employment (Porter, Crampon, & Smith, 1976), lends support to that hypothesis (Bateman & Strasser, 1984). The model promotes the view that changes in commitment can be expected to have only indirect effects on turnover. Several studies (e.g.,
Bateman & Strasser, 1984; Dossett & Suszko, 1989) have provided support for the model; others (e.g., Curry, Wakefield, Price, & Mueller, 1986; Meyer & Allen, 1988), however, have not.

The third perspective holds that both satisfaction and commitment contribute uniquely to the turnover process. This independent-effects model follows Porter et al.'s (1974) suggestion that job satisfaction and organizational commitment, though related, are distinct constructs (Dougherty et al., 1985). It implies no particular causality between the two attitudes, but does not rule out the possibility of reciprocal influences (cf. Farkas & Tetrick, 1989). More than the first two perspectives, it calls for research into how attitudes toward the job and company combine and/or interact to influence the intent and final decision to quit.

It is evident from the various researches that there is a significant relationship between job satisfaction and organizational commitment (Aranya, Lachman & Amernic, 1982; Boshoff & Mels, 1995; Harrison & Hubbard, 1998; Johnston, Parasuraman, Futrell and Black, 1990; Knoop, 1995; Kreitner & Kinicki, 1992; Morrison, 1997; Norris & Niebuhr, 1984; Ting, 1997). This is also supported from the current findings of the research carried out by Buitendach and de Witte (2005) amongst 178 maintenance workers in a parastatal in South Africa. Many researchers have suggested that job satisfaction is a predictor of

The vast majority of research indicates a positive relationship between satisfaction and commitment (Aranya et al., 1982; Boshoff & Mels, 1995; Harrison & Hubbard, 1998; Johnston, et al., 1990; Knoop, 1995; Kreitner & Kinicki, 1992; Morrison, 1997; Norris & Niebuhr, 1984; Ting, 1997). Martin & Bennett (1996) considers the causal ordering between organizational commitment and job satisfaction, remains both controversial and contradictory. According to Mowday et al. (1982, p. 28) “although day-to-day events in the workplace may affect an employee’s level of job satisfaction, such transitory events should not cause an employee to reevaluate seriously his or her attachment to the overall organization.”

Vandenberg and Lance (1992) argue that commitment and satisfaction are not causally related to each other, but are correlated because they are both determined by similar causal variables, such as organizational or task characteristics. Porter et al. (1974) maintain that commitment requires employees to think more universally and it takes longer to develop and is not sensitive to short-term variations in, for example, work conditions. Job satisfaction on the other hand, represents the employee's more current reactions to the specifics of the work situation and employment conditions. Porter et al
(1974) are of the opinion that commitment takes longer and is a more stable, less transitory work attitude than job satisfaction.

The findings of Curry, Wakefield, Price and Mueller (1986) however, refute the previously stated linkages between commitment and satisfaction. They did not find evidence for a relationship between commitment and satisfaction over time. However, their findings have been attributed to differences in commitment and satisfaction measures and to differences in focus between studies. Mathieu (1991) found an inverse relationship between job satisfaction and organizational commitment.

Despite its importance and the belief that job satisfaction (JS) is a cause of organizational commitment (OC), the causal relationship between the two constructs is not clearly understood. First, little research has focused specifically on this issue. Second, research findings on this issue have been mixed (Bateman & Strasser, 1984; Curry et al., 1986; Farkas & Tetrick, 1989; Williams & Hazer, 1986).

**1.9 Retailing**

Retailing can be referred to all the activities involved in the marketing and distribution of goods and services and from the point of consumers it involves various activities of shopping such as purchasing through the internet, dealing in financial services, eating at the restaurant, visiting the
beauty parlour etc. According to Levy and Weitz (2003) retailing is the set of business activities which adds value to the products and services sold to consumers for the personal or family use. Retailing is carried out by retailers who try to satisfy consumer needs by providing the link between them and the wholesalers. They help the manufacturers to sell their merchandise by providing the right market and ensuring that the right merchandise is available at the right price and at the right place to satisfy the needs of the consumers. May (1989) described retailing: retailers’ wanderings, voyages, and quests for customers, and consumers’ quest for satisfactory stores.

**Retailing Defined:**

Retailing Functions: "The more important retailing functions may be summarized as: (a) the physical movement and storage of goods; (b) the transfer of title to goods; (c) the provision of information concerning the nature and use of goods; (d) the standardization, grading and final processing of goods; (e) the provision of ready availability; (f) the assumption of risk concerning the precise nature and extent of demand; (g) the financing of inventory and the extension of credit to consumers." (Baker 1998, p. 238)

According to Baron; Davies, and Swindley (1991) "process of selling goods and services to ultimate consumers, or those buying on behalf of such
consumers, particularly when carried out through store outlets and, when further specified, mail order, etc."

Bennett (1995) defined as "a set of business activities carried on to accomplishing the exchange of goods and services for purposes of personal, family, or household use, whether performed in a store or by some form of non-store selling." According to Caruth Stovall (1994) retailing is "the activities involved in selling goods or services to ultimate consumers who purchase them for personal or household use."

Cross (1995) defined retailing as, "The promoting and selling of merchandise directly to customers, augmented by advertising, store promotions, and personal contacts in the community where the retailer's outlet is located. Retailing is the selling of finished goods and services to the consumer for personal or family consumption. It includes store retailing, such as department stores, non store retailing, such as direct selling and mail order, or service retailing, such as dry cleaning."

While Koschnick (1995) defined retailing, "All business activities involved in selling goods and services directly to ultimate or final users for personal, non business consumption or use." Fri (1925) defined retail merchandising: observed that the activities of the merchant in bringing about the most advantageous proportion between sales, stocks, and profits. It includes not
only the buying of goods, but the active solicitation of the patronage of customers through aggressive promotion of sales." James, Walker, and Etzel (1981) in their efforts to define retailing: "All the activities associated with the sale of offerings for final consumption."

1.9.1 Functions Performed by Retailers

Retailers provide important functions that increase the value of the products and services they sell to consumers and facilitate the distribution of those products and services for those who produce them, and on the other hand generate employment in the society. These value-creating functions are (1) providing an assortment of products and services, (2) breaking bulk, (3) holding inventory, (4) providing services.

**Providing Assortments:** Supermarkets typically offer assortment of food, health and beauty care, and household products which enables their customers to choose from a wide selection of brands, designs, sizes, colors, and prices at one location. Most consumers are well aware of the product assortments retailers offer; even small children tend to know where to buy different types of products.

**Breaking Bulk:** To reduce transportation costs, manufacturers and wholesalers typically offer the products in smaller quantities tailored to individual consumers' and households' consumption patterns. This is called
breaking bulk. Breaking bulk is important to both manufacturers and consumers. Whereas it is cost effective for manufacturers to package and ship merchandise in larger, rather than smaller, quantities, consumers want to purchase merchandise in smaller, more manageable quantities.

**Holding Inventory:** A major function of retailers is to keep inventory that is already broken into user-friendly sizes so that products will be available when consumers want them. Thus, consumers can keep a smaller inventory of products at home because they know local retailers will have the products available when they need more. By maintaining an inventory, retailers provide a benefit to consumers; they reduce the consumers' cost of storing products. This is particularly important to consumers with limited storage space and who want to purchase perishable merchandise.

**Providing Services:** Retailers provide services that make it easier for customers to buy and use products. They offer credit: consumers can have a product now and pay for it later. They display products so consumers can see and test them before buying. Some retailers have salespeople in stores or use their Web sites to answer questions and provide additional information about products.

**1.9.2 Types of Retail Formats**

The retail format is defined as a combination of the retail offering and the retail culture. There are various types of retail formats and retailers that can
be classified on the basis of ownership, strategy, general merchandise, service, etc.

(I) **Ownership Basis:** on the basis of ownership retail formats are of following types independent retailer, chain store, franchising and leased department stores:

(a) **Independent:** An independent retailer owns his own retail outlet. Most of the retail outlets in India are independents. It requires the introduction of reasonable capital mostly from personal savings, borrowings or bank loans. Most of the independent stores are smaller in size they operate from one geographic location only, they show consistency in policies. There is heavy competition amongst independents so their merchandise selection is according to the needs of the target audience. They do not enjoy economies of scale. There is lack of automation and computerization. They lack the benefit of long-term strategic planning and find difficult to use mass media for advertising.

(b) **Chain Stores:** These are multiple outlets run by a retailer. A single retailer establishes a chain of stores with its exclusive-store design, synergistic merchandising plan, promotion and service strategy and so on. All outlets have common ownership. Purchasing is centralized, even if the individual stores purchase some merchandise it is coordinated
centrally. Decision-making is centralized. The outlets of a chain have a similar look, facade and layout for easy identification. The promising areas in a chain are to run departmental stores, discount stores and grocery stores. The less promising areas are liquor shops, book stores and beauty salons.

(c) Franchising: It is one of the successful business model. It is one of the fastest methods of doing business in the world today. In franchise arrangement retail stores are owned and operated by individuals on behalf of, and licensed by a big supporting organization and involves two parties - a franchisor and a franchisee where the franchisor allows the franchisee the right to conduct a given business under a particular name and as per the given model. A franchisor could be manufacturer, a wholesaler or a service provider. Against the benefit of the franchisor's name and business model, a franchisee pays an initial fee and a particular percentage of sales. It also benefits from the entrepreneurial skills and commitment of the proprietor of a small business and small businesses flourish using the goodwill of bigger businesses under franchise arrangement. Franchisees experience a higher success rate than that of the independent businesses.

In product or trademarks franchise arrangement, a franchisee is an independent unit. He owns his own premises. He decides his location.
He plans his displays. He only uses either the products of the franchisor and/or uses his trademark. Most often franchise retail business follows this pattern. In business format franchising, entire business model is given by the franchisor to franchisee including- site selection, quality control, operating systems and practices, training and response to problems. In addition, the franchisee also sells the products of the franchisor. Restaurants, computer training institutes, coaching institutes, and shoe retailers follow this type of a franchisee arrangement. Franchise arrangements enable small entrepreneurs to operate a reputed business and get the technical know-how along with the joint promotional effort. Franchisee agreement can be set aside if the terms and conditions are violated. Sometimes, the agreements have a short tenure.

The franchise sector consists of a variety of businesses ranging from French fries to auto parts. Some common franchisee businesses include automotive, advertising, promotion, consultancy, training, staffing Child-care and education, movies, theatre, drama, tickets Gym or health club, food and restaurants etc. Known examples include Pizza Hut, Baskin Robbins, Aptech, NIIT, McDonalds etc.

(a) Leased Department: it is a department within a departmental store that is made available to an outsider on lease rental. It is run as an
autonomous unit responsible for its profits and losses. Generally, it pays a percentage of its sales as royalty to the parent store. The leased department must conform to the design restrictions imposed by the parent store to maintain consistency. Leasing is useful to run specialized stores requiring specialized skills, e.g., a pharmacy, a salon, a foot-wear counter, a photographic studio, a cosmetic counter, food counters, etc. Leased departments commit their own resources, e.g., inventory, personnel. The lessees are responsible for promotion and purchasing. The merchandise made available in such departments is usually limited.

(a) **Strategy Basis**: on the basis of strategy retail formats are of various types convenience stores, supermarkets. Mainly it is constituted by food oriented retailers.

(b) **Convenience stores**: These are ideally located close to residential areas to enable target customers have easy accessibility and select convenient merchandise such as beverages, bread, eggs, milk, ready-to-eat snacks, grocery etc. Convenience stores have also expanded their merchandise these days to items such as sandwiches, tobacco products, snacks, soft drinks, newspapers, magazines, alcoholic beverages such as beer and wine, lottery tickets and car washes. Convenience stores enable consumers to make purchases quickly, without having to search through a large store and wait in a long checkout line. Due to their small size and high sales,
convenience stores typically receive deliveries every day. Convenience stores operate for long hours, and are open for seven-days of a week.

(c) **Supermarkets:** A store which is departmentalised, with self service offering groceries, limited non-food items such as health and beauty related items and general merchandise. Supermarket is the harbinger of large-scale retailing. Supermarkets offer low prices to lure customers. Many supermarkets abroad have set up chains. Conventional supermarkets believe in large stock turnover. In India, Food World chain is an example of conventional supermarket. Conventional supermarkets face the challenge of other formats - convenience stores, superstores and combination stores.

**Variations of Supermarkets:**

(i) **Food-based Superstores:** It carries wider assortment than a conventional supermarket, and is larger than a supermarket. But it is less diversified than a combination store, and usually smaller than a combination store. Most superstores occupy an area of 25000-50000 sq. ft. Apart from food items, they also carry general merchandise, e.g., appliances, film developing, garden supplies and this contributes almost 20-25 per cent to their sales. Many supermarkets abroad have converted themselves to food-based superstores.
(ii) **Combination Store:** A combination store, as the name itself indicates, combines food and general merchandise in the ratio of 60:40 of the total sales. Sixties and seventies of the last century witnessed the arrival of combination stores. Combination stores occupy an area ranging from 30000 to 100000 sq. ft. They are operationally efficient, and allow consumers to have shopping under one roof. General merchandise attracts better margins than that obtained on food products. Some combination stores have food and drugstore combination.

(iii) **Supercentre:** It is a combination of an economy supermarket and a discount department store. It is popular by this name in the US, but is called hyper-market in Europe. They carry 80000 plus items. It is a format preferred by mass merchants. Wal-Mart, Kroger, K-mart prefer this format.

(iv) **Hyper-markets:** Hyper markets are very large in size. They combine supermarket discount and warehouse principles. This concept was pioneered by Carrefour in France. Hypermarkets are most reasonably priced stores and they offer price-offs on MRP. Hypermarkets offer customers a destination shopping experience with everything available under one roof. They have a combination of food and non-food items in the ratio of 60:40. They stock large number of
SKUs, larger than the combination stores. The non-food items include garments, jewellery, hardware, exercise equipments, cycles, books, music, TVs, electrical accessories, computers. For instance, Trent's (a Tata Enterprise) Star India Bazaar; Giant (RPG Group) and Big Bazaar(Pantaloon Retail India) are some of the examples of hypermarkets.

(v) **Box Store Limited-Line Store:** It is a food store having limited items mostly private brands and some manufacturer's brands. It carries few refrigerated perishables or does not carry it at all. Transactions are by cash. The merchandise is cheaper by at least 20-30 per cent than the supermarket. Box stores are Europeans in origin, a 70's product which later went to the US.

(vi) **Warehouse Stores:** These are also cheaper food stores carrying a limited and irregular assortment of merchandise with little service at low prices for ultimate consumers and small businesses. Warehouse stores can offer low prices because they use low-cost locations, inexpensive store designs, and little customer service and keep inventory holding costs low by carrying a limited assortment of fast selling items. The focus is on special purchases of manufacturer brands. These stores buy the brands against schemes. Therefore, sometimes when there is no scheme, the brand may not be in stocks. The large warehouse stores are called super
warehouse. They are located at industrial sites.

(II) **Merchandise Basis:** on the basis of merchandise offered retail formats are of following types:

(i) **Specialty Store:** These are retail shops displaying merchandise which have narrow product lines or one product line, specialising in a particular type of merchandise and offering specialised services to customers, its assortment is deep. Their expertise is great therefore consumers like to patronise them. They are not crowded places, and the merchandise is not unrelated to what the consumers need. It is easy to navigate such sores. Speciality Stores such as *Carbon* from Peakok Jewellery has its own exclusive stores selling fashion accessories and jewellery or *Park Avenue*, from Raymonds is a men's speciality store.

(ii) **Category Killer:** It is a new type of specialty store. By offering a complete assortment in a category at low prices, category specialists can "kill" a category of merchandise for other retailers and thus are frequently called **category killers**. Due their category dominance, they use their buying power to negotiate low prices and are assured of supply when items are scarce. It offers a large choice of merchandise at low prices. They buy economically, and sell cheap. The category killers continue to concentrate on reducing costs by increasing their operating efficiency and acquiring smaller chains to gain scale economies. Nalli’s sari shops can be treated as category killer in
Bangalore. In USA, Toy R is one such store stocking several thousand toys.

**Departmental Store:** It is a store having several departments, where each category of merchandise, such as clothing, personal care and cosmetics, books and stationeries, house ware goods, electronics etc., is placed in a separate department, all under a single roof, although individually functioning as a Strategic Business Unit (SBU). Each department within the store has a specific selling space allocated to it, a point of sales terminal to transact and record sales, and salespeople to assist customers. It is a large-scale, multi-leveled outlet offering a wide range of merchandise which spans across several product categories. It often resembles as a collection of specialty shops. Departmental stores are often owned by large or national chains. Marks and Spencer, Harrods, Sears and Selfridges are some famous international departmental stores. In India, we have Life Style, Shoppers' Stop, Pantaloon, Westside, Ebony etc. Traditional departmental store stocks moderate quality merchandise, offers self-selection and prices on the moderate to high side. It is responsible for many retailing innovations like same price for the same goods, computerized check outs, money-back schemes, decentralized management and going from down-town location to suburban locations. Traditionally departmental stores attracted customers by offering
pleasing ambience, attractive service, and a wide variety of merchandise under one roof. But now they are placing more emphasis on developing their own private label brands and shifting their marketing activities from promotional sales to brand-building activities involving television advertising and magazine publications. Finally, department stores are using technology and information systems to improve customer service in a cost-effective manner. Wireless devices used on the selling floor provide sales associates with customer and merchandise information. Department stores are collecting and analyzing information to identity their best customers and target promotions to these customers.

(iii) **Liquidators:** When an established retailer shuts shop or downsizes its operations, a liquidator comes in to sell the left-over goods. Liquidators pay cash to cash-starved retailer, and take the risk. Some liquidators just perform the sale, and guarantee a minimum return to the retailer. It requires special skills to run such closeouts.

(iv) **Cash-and-Carry Ventures:** Cash and carry ventures offer attractive prices for its merchandise. The local kirana stores can source their requirements from such stores, they manage to save an extra 3-5% on their sourcing cost. These cash-and-carry ventures improve the supply chain of mom-and-pop stores. In India Walmart is doing their business under this format.
(v) **Shopping Mall:** A shopping mall is an arrangement of retail stores and providing the right mix of shopping, food courts and entertainment and parking facilities. The retail space is shared by an anchor store and other retailers (tenants), who will pay the developers of the mall-rent or lease payment for putting up the shop within the mall premises. Rents charged at the mall are not a function of location, but of the business generated. If mall developers sell the space, the mall is likely to lose its character as retailers are likely to use the space as they wish.

A mall may have vacant stores, and vacancy up to 10 per cent is acceptable. But a vacancy beyond this invites trouble. A mall must attract footfalls. In the beginning, people visit malls for the novelty factor, but over a period of time, the novelty factor wears out and only serious shoppers visit the mall. Retailers will have to devise methods to attract footfalls constantly and supposed to spend a certain percentage of its revenues on advertising and sales promotion.

(vi) **Shopping Plaza:** The shopping plaza will be a configuration of many tenants using space of 1,000 sq ft. or so for putting up stores within a single building. For instance, Fountain Plaza (Chennai), Modi Arcade Plaza (Bangalore) etc.
(vii) **Discount Stores**: They offer broad variety of merchandise at low prices and limited services. For instance, Subiksha and Margin Free Super Market.

(viii) **Factory Outlet**: The factory stores are owned and operated by the manufacturers who sell discounted merchandise or factory seconds or cancelled orders to consumers at low prices. For instance, the Bata factory Outlet, Indigo Nation, Peter England factory outlet etc.

(ix) **Kiosk**: It is a concession format store placed within a mall / shopping centre, a bus station, airport etc. It is a free standing pavilion open on one or more sides, for instance, in a bookstore kiosk, customers are provided with online catalogue service to help them to identify titles and read reviews before making a purchase decision. My smart shop a Med Plus group venture in India is retailer of this category.

(III) **Non Store Retailers**: These retailers do not have a store to operate and offer merchandise. They are of following types:

(i) **Electronic Retailers**: Electronic retailing (also called e-tailing, online retailing, and Internet retailing) is a retail format in which the retailers communicate with customers and offer products and services for sale over the Internet. Perspectives on electronic retailing have changed dramatically over
the last 10 years. Everyone would be doing their shopping over the Internet in the future; stores would close due to lack of traffic, and paper catalogs would become obsolete. The prospects for electronic retailing were so bright that billions of dollars were invested, and lost.

Even though online retail sales continue to grow much faster than retail sales through stores and catalogs, we now realize the Internet is not a revolutionary new retail format that will replace stores and catalogs. While the Internet continues to provide opportunities for entrepreneurs in the retail industry, it is now primarily used by traditional retailers as a tool to complement their store and catalog offerings, grow their revenues, and provide more value for their customers. Some of the most well-known Internet-based companies associated with retailing, Amazon.com and eBay, are not really retailers. While Amazon does sell merchandise to consumers, a significant portion of its revenues is generated by providing Web site development and fulfillment services for other retailers, ranging from individual consumers selling used books to large, store-based retailers such as Toys "R" Us and Borders. eBay is not directly involved in the transactions between buyers and sellers who participate in the auctions on its Web site. Thus, eBay is more like a mall or shopping center operator providing a place for buyers and sellers to interact with each other. Most of the retailers that sell merchandise exclusively over the internet target niche markets—markets that are so small and dispersed that they cannot be
economically serviced by stores. For example, Dilmah’s (www.dilmahtea.com) sells teas from the plantations in the highlands of Ceylon, Steel of the Night (www.steelofthenight.com) offers a complete line of steel drums, and Zappos (www.zappos.com) sells a very deep selection of shoes in a complete range of sizes and colors.

(ii) Catalog Retailers: Catalog retailing is a non-store retail format in which the retail offering is communicated to a customer through a catalog. It was most successful with consumers who lacked ready access to retail stores. With the growth of two-income and single-head-of-household families, however, consumers are finding catalogs to be convenient and a time-saving shopping alternative. In 2003, $125 billion of merchandise and services were sold through catalogs, and over 17 billion catalogs were distributed in the United States. The merchandise categories with the greatest catalog sales are apparel, gifts, books, and home decor. JC Penney distributes a 1,200-page catalog to over 14 million people. In addition to its general merchandise catalog, JC Penney distributes 70 specialty catalogs each year.

(iii) Direct Mail Retailers: Direct-mail retailers communicate with their customers using letters and brochures. Direct-mail retailers typically mail brochures and pamphlets to sell a specific product or service to customers at one point in time. Nineteen percent of the U.S. population orders merchandise
and/or services by mail. For example, USAA sells a broad array of financial services targeted to the military community." In addition to their focus on a specific product or service, most direct-mail retailers are primarily interested in making a single sale from a specific mailing.

(iv) **Direct Selling:** It is a retail format in which salespeople, frequently independent businesspeople, contact customers directly in a convenient location, either at the customer's home or at work; demonstrate merchandise benefits and or explain a service; take an order; and deliver the merchandise or perform the service. Direct selling is a highly interactive form of retailing in which considerable information is conveyed to customers through face-to-face discussions with salespeople. However, providing this high level of information, including extensive demonstrations, is costly. Annual U.S. sales for direct selling are over $25 billion and more than $100 billion worldwide. The largest categories of merchandise sold through direct selling are home / family care (e.g., cooking and kitchenware), personal care (e.g., cosmetics and fragrances), services, wellness, and leisure/educational items. About 70 percent of all direct sales are made face to face, mostly in homes.

In most cases, direct salespeople may sell their merchandise to anyone but some companies assign territories to salespeople who regularly contact households in their territories. Two special types of direct selling are the party plan and multilevel selling. About 30 percent or all direct sales are made using
a party plan system, in which salespeople encourage customers to act as hosts and invite friends or coworkers to a "party" at which the merchandise is demonstrated. Sales made at the party are influenced by the social relationship of the people attending with the host or hostess, who receives a gift or commission for arranging the meeting. About 80 percent of direct sales are made through multilevel networks. In a multilevel network, people serve as master distributors, recruiting other people to become distributors in their network. The master distributors either buy merchandise from the firm and resell it to their distributors or receive a commission on all merchandise purchased by the distributors in their network. In addition to selling merchandise themselves, the master distributors are involved in recruiting and training other distributors,

(v) **Television Home Shopping:** It is a retail format in which customers watch a TV program that demonstrates merchandise and then place orders for the merchandise by telephone. The three forms of electronic home shopping retailing are (1) cable channels dedicated to television shopping, (2) infomercials, and (3) direct response advertising. Direct-response advertising includes advertisements on TV and radio that describe products and provide an opportunity for consumers to order them. Infomercials are TV programs that mix entertainment with product demonstrations and then solicit orders placed by telephone. Television home shopping is a $10 billion business in the United
States. Furthermore, most of the purchases are made by a relatively small proportion of viewers. The major advantage of TV home shopping is that customers can see the merchandise demonstrated on their TV screen. Television home shopping retailers appeal primarily to lower-income consumers. Forty percent of TV home shopping sales are inexpensive jewelry, and other major categories include apparel, cosmetics, kitchenware, and exercise equipment. In India Home shop, Shop 18 and Tele-brands are operating under this format.

(vi) **Vending Machine Retailing:** It is a non-store format in which merchandise or services are stored in a machine and dispensed to customers when they deposit cash or use a credit card. Vending machines are placed at convenient, high-traffic locations, such as in the workplace or on university campuses, and primarily contain snacks or drinks. In USA goods costing $16 billion are sold annually through vending machines. The vast majority of vending machine sales are cold beverages, candy, and snacks, but sales in these categories are being adversely affected by growing concerns among consumers about healthy eating habits. Technological developments in vending machine designs have result in long-term sales growth. New video kiosk vending machines enable consumers to see the merchandise in use, get information about it, and use their credit cards to make a purchase. The new vending machine designs also enable retailers to increase the productivity of the machines. Electronic systems in the machine keep track of inventory, cash, and
other operating conditions, and then radio devices transmit the data back to a host computer. These data are analyzed, and communications are sent to route drivers telling them when stock-outs and malfunctions occur. Many vending machine operators, however, do not have the resources to make investments in these new technologies.

There are 5.4 million jidoohambaiki (vending machines) in Japan—one machine for every 23 people. Unlike the packaged food and soft drink offerings in the United States, products in Japan range from rice crackers and eyebrow shapers to micro radios and condoms. Some reasons for the prevalence of vending machines in Japan are consumers’ interest in gadgets, the large number of people commuting by subway and train rather than by automobile, and the low rate of crime and vandalism in Japan. The ability of vending machines to accept credit cards is driving the trend, as is the appeal of being able to reach consumers at times when traditional retail stores aren't open.

(IV) Service Retailing: These firms are primarily selling services rather than merchandise, are a large and growing part of the retail industry. There are several trends that suggest considerable future growth in services retailing. For example, the aging population will increase demand for health care services. Younger people are also spending more time and money on health and fitness. Busy parents in two-income families are willing to pay to have their homes
cleaned, lawns maintained, clothes washed and pressed, and meals prepared, so they can spend more time with their families. Airlines, banks, hotels, and insurance companies sell their services to businesses as well as consumers. Also, a large number of services retailers, such as lawyers, doctors, and dry cleaners focus on local markets and do not have a national presence. Many organizations such as banks, hospitals, health spas, entertainment firms, and universities that offer services to consumers traditionally haven't considered themselves retailers. Due to increased competition, these organizations are adopting retailing principles to attract customers and satisfy their needs. Traditional retailers such as optical centers are providing important services like eye examinations and eyeglasses fittings in addition to selling frames, eyeglasses, and contact lenses. Similarly, restaurants offer food plus a place to eat, music in the background, a pleasant ambience, and Table service.

Services are generally intangible—customers cannot see, touch, or feel them. They are performances or actions rather than objects. Due to the intangibility of their offering, services retailers often use tangible symbols to inform customers about the quality of their services. For example, lawyers frequently have elegant, carpeted offices with expensive antique furniture. To evaluate the quality of their offering, services retailers often solicit customer evaluations and complaints. Service providers, however, create and deliver the service as
the customer is consuming it. For example, when you eat at a restaurant, the
meal is prepared and consumed almost at the same time.

1.9.3 Retail Industry Scenario in India

Traditionally retailing in India can be traced to the emergence of the
neighborhood ‘Kirana’ stores catering to the convenience of the consumers and
Indigenous franchise model of store chains run by Khadi & Village Industries
Commission with government support. In 1980s textiles sector with companies
like Bombay Dyeing, Raymond's, S Kumar's and Grasim first saw the
emergence of retail chains. Later Titan successfully created an organized
retailing concept and established a series of showrooms for its premium
watches. The latter half of the 1990s saw a fresh wave of entrants with a shift
from Manufactures to Pure Retailers. e.g. Food World, Subhiksha and Nilgiris
in food and FMCG; Planet M and Music World in music; Crossword and
Fountainhead in books. Post 1995 onwards saw an emergence of shopping
centers, mainly in urban areas, with facilities like car parking targeted to
provide a complete destination experience for all segments of society.

In India the working sector can be divided in to two parts - unorganized and
organized. Unorganized sector is considered as small and scattered units which
are largely outside the control of government, and organized sector covers
those enterprises or places which are registered by the government have to
follow its rules and regulations which are given in various laws, therefore, organized sector has some formal processes and procedures (Understanding economic development, class X, NCERT, 2010, p30-31). Similarly, in Indian context the retail sector is divided into unorganized and organized sectors. The organized retailers are licensed retailer who are following all formal procedures and law as tax registered, approved by the law for doing retail business and following all labour rules etc.; where unorganized retailers are either not following or partially following the above procedure and system.

According to Retail Sector Report of McKinsey Global Institute India, retail in India is essentially “unorganized.” 98% of the retail industry is made up of counter-stores, street-markets, hole-in-the-wall shops and roadside peddlers. Unorganized retail is characterized by: 1) Family-run stores, 2) Lack of best practices when it comes to inventory control and supply-chain management, 3) Lack of standardization, 4) Essentially a sector populated by anyone who has something to sell. Unorganized Retail is essentially the next-step above agriculture for those seeking to climb the ladder of affluence in search of a higher income. Combine this with very few barriers to entry in the retail sector and one gets an industry run by people commonly referred to as “Baniyas” with a lack of education, experience and exposure. This is the major factor responsible for the manner in which the retail industry functions. It is no
surprise then that the productivity of this sector is approximately 4% that of the U.S. retail industry.

According to CII-A.T. Kearney Report 2006 organized Retail in India refers to the modern retail formats like supermarkets and hypermarkets prevalent in most developed countries. This form of retail accounts for a painfully low 2 per cent of the retail industry, but is growing at a healthy 35 per cent and is expected to cross the INR 1000 billion mark by 2010. Organized retail remained a dormant sector largely due to the lack of infrastructure for large-scale retail, absence of product variety and a conservative Indian consumer. Today the flood of products in the market coupled with a wealthier, more informed Indian consumer have created the atmosphere for the entry of organized retail to tap into the $320 billion Indian retail industry.

According to SSKI Research 2006 India can also draw from domestic instances to support the bright future of the organized retail sector in the country. The telecom industry in India saw a stagnant 1% market penetration. With the introduction of multiple technologies, removal of market regulations and influx of capital, the telecom industry saw a compressed evolution cycle where penetration reached 10% in a matter of 8 years. According to Marubeni Research Institute 2006 the Indian cell-phone industry is one of the fastest growing in the world. Organization of the telecom sector was integral to tap
into the unrealized potential of the giant but unrecognized Indian consumer market. Organization in the retail sector is likely to have the same effect.

The government needs to introduce a number of policies to accelerate the growth of the Indian retail industry. The dormancy of the government, challenges posed by inadequate infrastructure together with a lack of exposure to best-practices have been responsible for low productivities experienced by the few organized retailers that have been present in the sector. Organized retailers that entered the sector before the current boom were plagued with a number of problems that were responsible for their poor performance. According to a Mckinsey Global Institute’s report on Indian Retail Sector the labor productivity of retail in India stands at a low 6% of US levels.

(a) Retail formats in India

(i) Malls: They lend an ideal shopping experience with an amalgamation of product, service and entertainment, all under a common roof.

(ii) Specialty Stores: Chains such as the Bangalore based Kids Kemp, the Mumbai books retailer Crossword, RPG's Music World and the Times Group's music chain Planet M, are focusing on specific market segments and have established themselves strongly in their sectors.

(iii) Discount Stores: As the name suggests, discount stores or factory outlets, offer discounts on the MRP through selling in bulk reaching economies
of scale or excess stock left over at the season. The product category can range from a variety of perishable/ non perishable goods. These stores are trying to emulate the model of Wal-Mart. Ex. Big Bazaar, Bombay Bazaar, RPGs.  

(iv) **Department Stores:** Large stores catering to a variety of consumer needs and further classified into localized departments such as clothing, toys, home, groceries, etc.

(v) **Hyper marts/Supermarkets:** Large self service outlets, catering to varied shopper needs are termed as Supermarkets. These are located in or near residential high streets. These stores today contribute to 30% of all food & grocery organized retail sales.

(vi) **Convenience Stores:** They stock a limited range of high-turnover convenience products and are usually open for extended periods during the day, seven days a week. Prices are slightly higher due to the convenience premium.

(vii) **MBO’s:** Multi Brand outlets, also known as Category Killers, offer several brands across a single product category. These usually do well in busy market places and Metros.

(b) **Popular Retailers in India**

- **Vivek Limited Retail Formats:** Viveks, Jainsons, Viveks Service Centre, Viveks Safe Deposit Lockers.
• **RPG Retail-Formats:** Music World, Books & Beyond, Spencer’s Hyper, Spencer’s Super, Daily & Fresh.

• **Pantaloons Retail-Formats:** Big Bazaar, Food Bazaar, Pantaloons, Central, Fashion Station, Brand Factory, Depot, aLL, E-Zone etc.

• **The Tata Group-Formats:** Westside, Star India Bazaar, Steeljunction, Landmark, Titan Industries with World of Titans showrooms, Tanishq outlets, Chroma.

• **K Raheja Corp Group-Formats:** Crossword, Hyper City, Inorbit

• **Lifestyle International-** Lifestyle, Home Centre, Max, Fun City and International Franchise brand stores.

• **Pyramid Retail-Formats:** Pyramid Megastore, TruMart

• **Nilgiri’s-Formats:** Nilgiris’ supermarket chain

• **Subhiksha-Formats:** Subhiksha supermarket pharmacy and telecom discount chain.

• **Trinethra- Formats:** Fabmall supermarket chain and Fabcity hypermarket chain

• **Vishal Retail Group-Formats:** Vishal Mega Mart

• **BPCL-Formats:** In & Out
• **Reliance Retail-Formats**: Reliance Fresh

• **Reliance ADAG Retail-Format**: Reliance World

• **Aditya Birla Group**: More and Van-Heusen retail outlets.

(c) **Employment in Retailing in India**

According to Iyengar (2004) organized trade in India employs roughly 5 lakh people, whereas the unorganized retail trade employs nearly 3.95 crores. According to a GoI study the number of workers in retail trade in 1998 was almost 175 lakhs. Given the recent numbers indicated by other studies, this is only indicative of the magnitude of expansion the retail trade is experiencing, both due to economic expansion as well as the ‘jobless growth’ that we have seen in the past decade. It must be noted that even within the organized sector, the number of individually-owned retail outlets far outnumber the corporate-backed institutions. Though these numbers translate to approximately 8% of the workforce in the country (half the normal share in developed countries) there are far more retailers in India than other countries in absolute numbers, because of the demographic profile and the preponderance of youth, India’s workforce is proportionately much larger.

According to KPMG Report, 2009, in spite of a downturn, the requirement for skilled manpower in Indian retail industry still persists. Companies need to understand how to retain their most desirable staff while ensuring their future
development. This becomes a bigger concern particularly when management development costs are under pressure, as this is a leadership challenge. One of the common problems with retail firms is that they hire fresh Graduates without any experience in the retail sector. This has led to over-ambitious expansion plans which have left the firms struggling. The Current downturn has highlighted this issue and made firms realize that to succeed they need experienced talent with an understanding of the ground realities faced by the Indian retail sector. With scarcity of an experienced talent pool, talent development has to be brought in-house. The need is to focus on selected senior managers, to develop their capabilities to coach and mentor others.

1.9.4 Human Resource Management issues in Retail Industry

Human resources are the most valuable assets for any organization and their management is particularly important in retailing because it is a vital issue for the performance of retail firms as employees play a major role in performing critical business functions. In manufacturing firms, capital equipment (machinery, computer systems, robotics, etc.) often is used to perform the jobs employees once did. But retailing and other service businesses remain labour intensive. Retailers still rely on people to perform the basic retailing activities, such as displaying merchandise and providing service to customers. Howard Schultz, chairman and chief global strategist of Starbucks, emphasizes that "the relationship that we have with our people and the culture of our company is our
most sustainable competitive advantage." Thus, the effective management of employees can produce a cost advantage.

The experience that most customers have with a retailer is determined by the activities of employees who select merchandise; provide information and assistance, and stock displays and shelves. Thus, employees can play a major role in differentiating a retailer's offering from its competitor's. These potential advantages are difficult for competitors to duplicate. The strategic objective of human resource management is to align the capabilities and behaviors of employees with the short- and long-term goals of the retail firm. One human resource management performance measure is employee productivity - the retailer's sales or profit divided by the number of employees. Employee productivity can be improved by increasing the sales generated by employees, reducing the number of employees, or both. Whereas employee productivity is directly related to the retailer's short-term profits, employee attitudes such as job satisfaction and commitment have important effects on customer satisfaction and the subsequent long-term performance of the retailer. A failure to consider both long- and short-term objectives can result in the mismanagement of human resources and a downward performance of the retail firm.

Human resource management in retailing is very challenging due to the need to use part-time employees, the emphasis on expense control, and the changing demographics of the workforce. Retailers operating in international markets
face additional challenges. Most retailers are open long hours and weekends to respond to the needs of family shoppers and working people. In addition, peak shopping periods occur during lunch hours, at night, and during sales. To deal with these peak periods and long hours, retailers have to complement their one or two shifts of full-time (40 hours per week) store employees with part-time workers. Part-time workers can be more difficult to manage than full-time employees because they often are less committed to the company and their jobs and more likely to quit than full-time employees. Retailers often operate on thin margins and must control their expenses. Thus, they are cautious about paying high wages to hourly employees who perform low skill jobs. To control costs, retailers often hire people with little or no experience to work as sales associates. High turnover, absenteeism, and poor performance often result from this use of inexperienced, low-wage employees. The lack of experience and motivation among many retail employees is particularly troublesome because these employees are often in direct contact with customers. Unlike manufacturing workers on an assembly line, the lowest-paid retail employees work in areas that are highly visible to customers. Poor appearance, manners, and attitudes can have a negative effect on sales and customer loyalty.

A critical task of human resource management is to motivate employees to work toward achieving the firm's goals and implementing its strategy. This task is often difficult because the employees' goals may differ from those of the
firm. For example, a sales associate might find it more personally rewarding to arrange a display creatively than to help a customer. Retailers generally use three methods to motivate their employees’ activities: (1) written policies and supervision, (2) incentives and (3) organization culture.

If employees use the written policies to make these decisions, their actions will be consistent with the retailer's strategy. But strict reliance on written policies also can reduce employee motivation because employees have little opportunity to use their own initiative to improve performance of their areas of responsibility. As a result, they eventually might find their jobs uninteresting. Incentives are very effective at motivating employees to perform the activities on which the incentives are-based. But incentives also may cause employees to ignore other activities. Excessive use of incentives to motivate employees also can reduce employee commitment. Company loyalty falls because employees feel that the firm hasn't made it commitment to them (since it's unwilling to guarantee their compensation). Thus, if a competitor offers to pay a higher commission rate, they'll feel free to leave.

An organization culture is the set of values, traditions, and customs of a firm that guides employee behavior and method for motivating and coordinating employees. These guidelines aren't written down as a set of policies and procedures; they are traditions passed along by experienced employees to new employees. Many retail firms have strong organization cultures that give
employees a sense of what they ought to do on their jobs and how they should behave to be consistent with the firm’s strategy. An organization culture often has a much stronger effect on employees' actions than do rewards offered through compensation plans, directions provided by supervisors, or written company policies.

An important challenge in retailing is to reduce turnover. High turnover reduces sales and increases costs. Sales are lost because inexperienced employees lack the skills and knowledge about company policies and merchandise to interact effectively with customers; costs increase due to the need to continually recruit and train new employees. To reduce turnover, retailers need to build an atmosphere of mutual commitment in their firms. When a retailer demonstrates its commitment, employees respond by developing loyalty to the company. Employees improve their skills and work hard for the company when they feel they feel company is committed to them over the long run, through thick and thin. Some approaches that retailers take to build mutual commitment are (1) developing employee skills through selection and training, (2) empowering employees, and (3) creating a partnering relationship with employees. Research indicates that engaging in these human resource management practices increases the firm's financial performance. Training is particularly important in retailing because more than sixty percent of retail employees have direct contact with customers, which means they are responsible for helping
customers satisfy their needs and resolve their problems. Investing in developing employee skills tells employees that the firm considers them important.

Empowerment is a process in which managers share power and decision-making authority with employees. When employees have the authority to make decisions, they are more confident in their abilities, have greater opportunity to provide service to customers, and are more committed to the firm's success. Empowerment of retail employees transfers authority and responsibility for making decisions to lower levels in the organization. These employees are closer to the customers and in a good position to know what it takes to satisfy these customers. For empowerment to work, managers must have an attitude of respect and trust, not control and distrust.

Three HR management activities that build commitment by developing partnering relationships with employees are (1) reducing status differences, (2) promoting from within, and (3) enabling employees to balance their careers and families. Many retailers attempt to reduce status differences among employees. With limited status differences, employees feel that they play an important role in the firm's ability to achieve its goals and that their contributions are valued. Status differences can be reduced symbolically through the use of language and substantively by lowering wage differences and increasing communications among managers at different levels in the company. Promotion from within is a
staffing policy that involves hiring new employees only for positions at the lowest level in the job hierarchy and then promoting those employees for openings at higher levels in the hierarchy. This policy establishes a sense of fairness. When employees do an outstanding job and then outsiders are brought in over them, the employees feel that company doesn’t care about them. Promotions from within policies also commit the retailers to developing its employees. Retailers can also build employee commitment by offering services like job sharing, child care, and employee assistance programs to help their employees manage these problems.

1.10 Justification of the Study

By 2012, organized retail sector in India will directly offer employment for 1.7 million which is only 5% of the total 37 million employments hence organized retail sector. To the Indian economy retail sector will create ample opportunity in terms of employment generation at the same time it will be a significant challenge for the organized retailers also to gain access to such a high number of trained and committed manpower. Due to this unprecedented expansion more career opportunity is available and to successfully compete in the retail industry it is necessary for the retailers to be able to attract, recruit and retain a competent work force (Rhoads et al., 2002) whereas there is perception that retailing offers a low quality of work life (Swinyard et al.,
1981). Compared to other marketing positions, it is believed that jobs in retailing demand longer week hours but offers lower compensation and work satisfaction above leads to lower organizational commitment and higher turnover (Swinderyard et al., 1995).

Moreover, in retail and other service organizations employers can not afford to ignore the job satisfaction of their employees because it will affect the quality of services and products they provide to their customers. Especially, in this age of stiff competition in the retail industry every effort is to be made by the employers to enhance the job satisfaction which has a very strong linkage with organization commitment and job performance of the employees. The studies reviewed found that there exist more empirical studies on both the variables in different industries in comparison to retail industry which justifies study of this nature in this industry. Moreover, there exist more studies abroad on both the variables in comparison to India by the Indian researchers. Further there exists scanty of research by the Indian researchers on job satisfaction and organizational commitment vis-à-vis retail industry in India which justifies the justification of the study in Indian context looking into massive growth of retail Industry in India in last two decades.