## DISSERTATION



The core HR Practices in the retail sector in Ireland and their role on Service Quality and the level of satisfaction and loyalty found in both Employee and Customers.

A Dissertation Submitted in Partial Fulfillment of a Masters of Art in Human Resource Management

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Submitted to the National College of Ireland, August 2016

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I Chinwe Anago, declare that this dissertation is the end result of my own work and that due acknowledgement has been given in the bibliography and references made to all sources, be they printed, electronic or personal.

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#### ABSTRACT

The search to achieve more among retail organizations is increasing. Therefore, organization obligation towards improving their HR practices is believed to be proficiency in retail industry. In Ireland there are several economic drivers with the retail industry being the most recognisable. Retail business success in today's competitive markets requires a high understanding and respect of the customer and employee. The way employees deliver services to customers determines the organisation's success and failure.

This study examines the role of core HR Practices in the retail sector in Ireland and their impact on service quality and their level of satisfaction and loyalty found in both employees and customers. The link between HR practices, service quality and employee and customer satisfaction and loyalty is explored.

The research draws on what has been discussed previously by various academics by seeking to observe whether HR practices have a significate role on service quality, employees and customers in the retail sector in Ireland. The core HR practices that will be covered in this research consist of recruitment and selection, training and development, performance management, performance appraisal and employee rewards. Seven theoretically-based hypotheses are developed, showing possible positive and negative relationships from the findings and respondents rates. This research uses a quantitative approach that consists of two online questionnaires one for employees and one for customers which test the satisfaction and loyalty of both employees and customers' findings. T-test associate model is used for testing. It is hoped that this study will help academics and human resource in retail industry as well as other organisation.

#### **CHAPTER ONE**

#### 1. INTRODUCTION

#### **1.1 INTRODUCTION**

This research is to discuss the core HR practices in the retail sector in Ireland and their role on service quality and the level of satisfaction and loyalty found in both employee and customers. When defining and understanding service from the perspective of the retail industry, it becomes difficult to comprehend as service quality can be seen and perceived by employees and customers differently. According to Ishwara (2014) the growth of any organization focuses on the abilities, skill and knowledge of employees because an employee helps to establish a set of core competencies that distinguish an organization from its competitors.

Recently, interest has rapidly developed in the issues of HR practices, services, employees and customers due to the current globalisation of business and technological advancement. Many researchers have explored the issues of employee satisfaction, service quality and customer satisfaction together with loyalty how they are linked in the context of banks and hotels and the influence HR has on them but only a few have done this kind of research in the retail industry.

Currently HR practices are increasing whilst also impacting on knowledge-based industries and employees at the end of the day are carrying the company's survival and success rate through their delivery of customer service. Kiger (2002) argues that Human Resources are the main driver of customer satisfaction through the hiring, training and treatment of effective staff. So how influential are HR practices in satisfying employees, retaining customers and improving service quality? Well, it depends on how efficiently they are managed and how promptly services are provided by employees. According to Putzier and Baker (2010) it's the people working the processes that determine whether customers are happy.

Research has shown that there has been an increase in internet sales by many Irish retailers in recent times due to the fact that customers are going to great lengths to get the best deals. (Another example is consumers travelling to Northern Ireland in search of better offers most

especially in grocery). The era has passed where the reliability of good customer service is dependent on the manager or team leader as HR is now embedded.

Satisfied employees create satisfied customers. The cycle is simple, employee satisfaction leads to employee loyalty and service quality which brings about customer satisfaction which results in customer loyalty. This loyalty brings forth the company's success and survival giving reason for further enhancement on employee satisfaction. By understanding this cycle we can already predict how the cycle would end if it started with customer dissatisfaction. In order for HR practices to achieve this, they have to begin by providing great internal customer services. By effectively managing the internal services employees receive from their employers there will be increased performance, productivity and satisfaction and retention levels (Miller, 2011; Putzier and Baker, 2010).

#### **1.2 TITLE / RESEARCH ISSUES**

The core HR Practices in the retail sector in Ireland and their role on service quality and the level of satisfaction and loyalty found in both employees and customers.

#### **1.3 RESEARCH OBJECTIVES OF THE STUDY**

As in every research study, the objective is normally to unravel new facts or to add additional knowledge to the study. In other words, the broad objective of this study is to determine the role of core HR Practices in the retail sector in Ireland and their role on service quality and the level of satisfaction and loyalty found in both employees and customers selected retail outlets in the Republic of Ireland. So this study will develop a complete view of a service provided by retail outlets and how HR practices influence the staff on service quality in order to satisfy their customers and what the retailers stand to gain.

This research area is very predominant, so it is necessary to conduct further research to know the role core HR practices in the retail sector in Ireland play on service quality and the level of satisfaction and loyalty found in both employees and customers. We will look to see whether they have a positive or negative influence and where there may be deficiency in the service they provide to the public. We will also look to establish the link between service quality, employee satisfaction, employee loyalty, customer satisfaction and customer loyalty in selected retail outlets in the republic of Ireland where HR practices are implemented and how the retail stores can improve the quality of customer service and general atmosphere at the stores.

The fact is that customers are more demanding, and have a wide collection of goods and services to choose from. To satisfy these customers, the retail sector must be able to listen to feedback to improve service quality. Therefore some HR practices will be discussed with emphasis on their importance on the staffs and customers. Previous studies have identified the total quality management model to be the benchmarking on HR practice Hassan, Abdelrahim and Saif Eldin; (2012).

Overall the researcher seeks to contribute further with this thesis to current research being conducted on the impact of the core HR practices on service quality and both customer and employees within the Irish retail industry. This study will be conducted using four leading supermarket/grocery stores, formulated with a research question followed by sub-objectives with the literature review contributing to the development of hypotheses. The research question will look to investigate the core HR practices in the retail sector in Ireland and their role on service quality and the level of satisfaction and loyalty found in both employees and customers.

Sub-objectives of the dissertation are the following research areas:

- 1) To explore the importance of employee satisfaction, and loyalty in the retail industry
- 2) To discuss the impact of service quality on customer satisfaction
- 3) To explain the concept of how important staff are in the delivery of quality service
- 4) To examine the importance of customer satisfaction and their loyalty.
- 5) To discuss the impact of core HR practices on employees in retail industry.

#### **1.4 STRUCTURE OF DISSERTATION**

This dissertation is comprised of six separate chapters commencing with this chapter that introduces the whole thesis to the reader and states clearly the objectives of the whole research study. Chapter Two which is the Literature Review constitutes previous research undertaken around this study area. It will focus on the key themes established by academics that establish a basis for this research. Chapter Three is the Research Methodology which will outline the research hypothesis, discuss the theory behind research and justify the selected data collection method. Chapter Four, Research Findings and Discussion, will present the results of the primary research conducted, analyse the findings against the principal objectives and discuss. Chapter Five will conclude the research based on the secondary and primary research collected and analysed. Chapter six is the final section with appendix of surveys and reference.

#### **CHAPTER TWO**

#### 2. LITERATURE REVIEW

#### 2.1 INTRODUCTION

For over a decade now, the concept HR has been amplified in Ireland and companies and business managers have been encouraged to engage on the services of HR practices and initiatives and seek to retain their employees. One of these initiatives is the 'best practice award' organised by Chambers Ireland, and supported by Government through the Department of the Environment, Community and Local Government. This award is meant to recognise the best positive work done by the business community for the benefit of their employee, the local community and the environment. In many cases, these activities are simply part of how companies engage with their employee, customers or support their local communities.

HR practices have been practised by companies, large and small, throughout Ireland for many years and this is evidenced in the support by businesses activities, in the provision of workplace training, employment opportunities and workplace practices. CSO shows that retail industry in Ireland creates so many economic activities varying from jobs to the provision of goods and services. It is estimated that in approximation over 300 thousand jobs are directly linked to retail industry; revenue wise, it contributes around €10 billion euro and that equals about 6% of the Gross Domestic Product (GDP), (CSO, 2012). The importance of such an industry calls for better understanding of their service cycle. (HR practices, service quality, employees and customers). Armstrong (2014, p.27) works give an all-inclusive sum up of the various views of HRM as: "A strategic and coherent approach to the management of an organization's most valued assets: the people working there who individually and collectively contribute to the achievement of its objective".

Kotler (2011) says that customer's desires are usually influenced by organisational procedures and individual behaviour in reference to the human shape.

Lee, chiu, chiang, and chiu (2009) found that customer complaints had a direct effect on customer satisfaction. They reported that as one-dimensional attributes increased, the level of overall customer satisfaction also increased. These researchers, overall, concur that the

number of complaints is an indication of customer satisfaction. This helps organisational growth, success and survival giving reason for reflection on role of HR practices. According to Kiger (2002), "companies are recognizing that HR plays a seminal role in building a customer-friendly culture. Throughout the business world, HR departments are focusing their efforts on improving customer satisfaction. They're using HR activities-hiring, training, coaching, and evaluation programs-to give employees the tools and support they need to develop and nurture positive, lasting relationships with clients". Caliskan (2010) supports this with the discovering that HR practices are one of the core sources that facilitate an organization to fabricate its strong competitive advantage. Contemporary research findings have indicated that research has being done on HR practices, customers and employee numerously in countries like America, India, Malaysia, United Kingdom and Pakistan. Imran and Ahmad (2012) support the relationship between HR practices on the organizational loyalty of the service area for employees of Pakistan.

To further the research, the aspect of achieving effective and efficient internal services has been studied in order to determine the relationship that exists between service quality, employee, customer satisfaction and loyalty.

#### 2.2 HRM AND ROLE OF RELEVANT CORE HR PRACTICES

Human resource management (HRM) is the process of managing work and people in organizations and organizations need some kind of human resourcing for employment relations are managed by teamwork, autonomy, independence, and job design. According to Shabbir, (2014) human resource practices play an important role in the maximization of organizational profitability which is the primary objective of any company.

Good management acknowledge that much of the skill required for businesses to be competitive is actually in existence within the minds of employees (CIPD, 2012).

Edgar and Geare, (2005) outlined that HRM practice has been measured in three dimension, by collecting data from employers in one of the two ways – using additive measures of HRM practice or self - reports about the extent to which particular HRM practices have been operationalised while the possible third approach would be to collect employee views about

the operationalisation of HRM practice and then relate these reactions to their attitudes as far as employee attitude is concerned.

Shaw, Park, and Kim, (2013) state that HRM practices such as training and justice mechanisms encourage open communication and the development of social relationships investments such as high pay and benefits encourage longevity, which serve to increase connectedness, social complexity, and co-specialization of resources among employees. According to RBV, companies can use their own human resources in order to achieve sustainable competitive advantage. So human resource management practices are an important role with regards to theory of resource based view (RBV).

Therefore this study will be examining some core HR practices that impact on employees, such as recruitment and selection, training and development, performance management, performance appraisal and employee rewards. For example, Guest (2002) says the provision of training and skill development opportunities provision is of employees' benefits by equipping them with the necessary knowledge, skills and attitudes to function autonomously and responsibly. Again, HRM practices improve retention and enables employees cope with change in the work environment

The UN Conference on the Human Environment held in Stockholm, Sweden in 1972, saw the representatives of different businesses and governments deliberate questions on these issues while striking a balance between business activities and how it affects the community in general. This could be traced as the origin of HR is to recruit competent workers. As human resources have a central role within the workplace, they have the capacity to create, promote, leverage and foster a culture that enhances quality of service. The era has passed where the reliability of good customer service is dependent on the manager or team leader instead this culture is now embedded by HR (Schneider and Barbera, 2011). A positive workforce environment with the right working tools equals satisfied and loyal customers.

According to Karuppasamy and Kumar, (2004) HRM practices are crucial in designing the structure for man power, staffing, performance appraisal, compensation, and training and development and practices are a primary means for defining, communicating and rewarding desired role behaviours and desired role behaviours are a function of organizational

characteristics. HRM is a vital function in organizations and becoming more important than ever.

In order to gain competitive advantage in the market it is necessary to implement a human resource strategy which will take into consideration the external position as well as internal resources. According to Porter (cited in Farnham, 2010) the essence of competitive strategy is relating a company to its business context considering the external approach of firms in terms of opportunities and threats.

HR practices have become an important tool for organizations to work with and showcase responsibility to the employees by making sure the business ties employee actions to the overall business performance. Karuppasamy and kumar again said that innovative HRM practices can play a crucial role in changing the attitude of the companies and its employees in order to facilitate the entry and growth in the markets.

The core HR practices role discuss in this study are recruitment and selection, training and development, employee performance appraisal, employee reward, and performance management.

# 2.2.1 THE IMPACT OF RECRUITMENT AND SELECTION ON SERVICE QUALITY

Nowadays, for retail companies to be profitable, it must be able to hire and retain a competent workforce in the industry. Retailers are better equipped to compete in a highly competitive marketplace by decreasing costs related with recruiting and training, and delivering quality of service to customers. According to Abubakur and Abubakar (2013) recruitment and selection process is one of the most important HRM practices as it is the point of entry into most organizations and in addition where most organizations recruit talents that drive their goals and interest. Screening methods to recruit the right staff contribute greatly to internal service quality (Churchill and Halpern, 2001). Efficiency and effectiveness needs to be used when recruiting new staff.

Retail employers should produce a list of essential traits and competencies that they feel is important for potential employees to have for the position. The job description should be defined in detail. The selection tools of an application form, interview, reference checks, and pre-employment tests should all be used and followed by HR (Messmer, 1999). Schneider and Schmitt (1986) add to this by saying to select the right candidate for the right job

position, recruitment and selection procedures must be evolved. Also argued on staffing employees process by saying that the organization comprised of finding, evaluating, and assigning individuals to work to accomplish the organisational objectives in an effective manner.

Furthermore, Schneider and Bowen (1993) claimed that not only do the candidates benefit from the correct selection procedures, training and reward but also the organisation has benefits to reap from the employee's success. Initially hiring the right employees is the number one key element in not only achieving customer satisfaction and loyalty but also in building a 'customer – friendly retail company'. These sorts of companies have been found to thrive even in rough economy cycles. The argument behind this theory initially follows the view that companies that offer bad customer service find it hard in holding onto its customers therefore when it comes to tough cycles this can be even harder with an atmosphere of consumer dissatisfaction already present. (Loveman, 1998; Yoon and Suh, 2003). It could say that recruitment and selection practices have an impact on service quality for employees haired who, at the end of the day are the employees delivering service and determining customer service (Quester and Kelly, 1999).

#### 2.2.2 TRAINING AND DEVELOPMENT

The service quality offered by the retail industry is understood to have ultimate effect on the overall satisfaction customers receive after their service experience (Kotler, 2011). Training and development practices play an important role in the retail sector for increasing service quality by the HR department establishing training services for employees. For example, on communication skills and talent management such services are very valuable for employees constantly interacting with external customers in the delivering of customer service, informing them on the products and services and in receiving feedback. Another key aspect in this case is to match the relevant training to the relevant internal customer to achieve efficiency and effectiveness. There is no point in giving employees training in an area they have no connection with. (Churchill and Halpern, 2001; Paraskevas, 2001).

HR practice in the development of internal retail Marketing comprised of internal communications, team building, motivation and training, has been stated to be an approach that can make the employees more conscious of meeting customers' expectations and requirements. Internal marketing is also beneficial for retaining and attracting mature qualified employees (Berry, 1981; Cowell, 1984). According Hughes and Rog (2008) talent management needs to be employed in organisations for development as their articles implies that a level of strategic integration and talent management presents the opportunity to elevate the practice of HRM to its theoretical potential, with evidence, shared responsibility and a supportive culture being key cornerstones of its practice.

Again, management communication with employees is necessary during training and development. Hennestad (2000) says the retail sector, communication between the top and bottom management can be highly effective and there can be an increased responsive rate within the retail environment.

For example research has revealed that Marks and Spencer's (M&S) have also seen the importance of communication by ensuring that all employees are involved in the running of the business. After setting up a social forum, a director of the company said that the hope is for staff to go beyond 'just turning up for work and hoped a new way of thinking could be embedded into their retail stores'. The company now surveys its employees quarterly to gauge the opinions of its staff more accurately and also launched a 3 month consultation period in which they spoke directly to past and current employees directly (Personnel Today, 2002). Companies have identified the input of employees as key to success, whether it is in attempting to maintain record retail profits or alternatively in looking to embrace HR practices.

#### 2.2.3 PERFORMANCE MANAGEMENT.

Performance management is often associated with the processes and structures of humanresource management (HRM); especially issues regarding compensation, appraisal, selection, recruitment and retention (DeNisi and Pritchard, 2006). According to Armstrong (2014), performance management is a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of team and individual contributors. Armstrong's definition stresses a strategic and integration process. Performance management is strategic because it is concerned with the wider challenges facing the business and with the overall direction in which it intends to go to achieve its goals within an agreed framework. Mohrman (1995) the practices of performance management must be developed to shape and adapt to the organization's changing requirements.

Kagaari, Munene and Mpeera Ntayi (2010) reveals that it is important to know how performance management practices assist the achievement of managed performance and that attention should be paid to performance management and employee attitudes that improve the relationship between the employers and employees. These include job satisfaction, commitment and perceived psychological contract and so on.

In other words, it's an avenue to align retail sector goals with individual expectations. Performance management is to facilitate the achievement of improved goals within a time frame, by HR managers comprehending the key elements that encourage individual performance and organisational performance success.

They frequently stem or ignore the ways in which motivational issues can be established in the retail workplace to produce increased performance for the correct objectives, processed in the correct way and for appropriate reasons (Douglas and Morris, 2006). The implementation of performance management practice in the retail sector would impact positively on employee thereby linking to customer satisfaction and loyalty for increase service quality. Armstrong et al further states that "performance management is a process not an event. It operates as a continuous cycle" "The effects of performance management practices in public sector organisations are affected by institutional factors with the results suggesting that the behavioural effects of performance management practices are as important as the economic effects in public sector organisations" (Kagaari et al, 2010)

Hetty Van Emmerik (2008) believes that a critical component of successful performancemanagement implementation is that performers gain excellence in their own performance and contribution. This is achieved by developing strong high-performance habits that can be applied across similar or different areas for effective problem-solving and work habits. Regardless of the task, the goal at the individual level is to produce work that is of a high standard and to establish a real sense of pride in the work that the person does (Chauvel and Despres, 2002). Performance-management practices are implemented in an organization to ensure successful motivating of the individual employee in a number of realms, including improving employees' retention as they are required to see how their role impacts organizational goals at a high-level (Mcbain, 2007). The overall atmosphere within the organisation contributes to success or failure of performance. Organizations with good performance-management strategies can bring the best out of all departments and employees under its management. Weldy (2009) argues by saying that it can be done by setting out clear steps on how to improve performance that are based on the principles of individual learning. Kagrri et al (2010) further state that the effects of performance management practices in public sector organisations are affected by institutional factors with the results suggesting that the behavioural effects of performance management practices are as important as the economic effects in public sector organisations.

Performance management practices increase employee satisfaction and loyalty to work ensuring customer satisfaction and service quality in retail sectors. It's further stated that the psychology of learning which analyses behaviour builds the framework of individual performance management (Van Dyk and Conradie, 2007). But HR also has concerns for the plan being used in this process in so far as it needs to be specific, clarified, detailed and outlined. Performance management processes need to be measurable and reviewable. Once the process has been structured there has to be room for continuous development and improvement as advancements occur.

#### 2.2.4 PERFORMANCE APPRAISAL

Appraisal would pin point individual abilities, skills and strength which provides retail organisations with the opportunity to reflect their interest in employee retention, and further provide for development and training in order to enhance improved productivity and rewards for both the employee and the organization. The work of Latham, Budworth, Yanar and whyte (2008) reveal that Performance appraisals typically involve estimates of value under uncertainty, because the focus of such judgments is the inherently ambiguous notion of an employee's performance. The HR department should be constantly aware that services and the performance of employees always have a direct implication to retail organisational growth and customer loyalty. In other words the effects could either be negative or positive depending on how one views the process.

Mohanty (2009) and Churchill and Halpern (2001) believed by aligning staff incentives and recognition with a customer loyalty strategy employees would be retained within the organisation. Performance appraisal can vary from recreational facilities, performance based

bonuses, employee reward programs, prizes at special occasions, recognition of developments, training programs, career development programs and time off.

Appraisals drive employees to work harder towards targets and deadlines while recognition reflects on outstanding performance by the employee recognised by the employer. They can both be viewed as motivational tools that lead to raised employee morale and performance. What's more, employee recognition has been realised to have a contagious effect that gets all employees (Khan, Zarif and Khan, 2011). Performance appraisals help with an employee dedication to their service and by an extension to customer's retention. Performance appraisal is necessary for employee to deliver quality of service. Employers have engaged various tools / approaches in order to improve performance, through target setting, measurement and feedback, participation of employees in decision making, job design, rewards and recognition. Setting specific and challenging goals within the workplace has shown to lead to higher levels of employee performance (Tornow and Wiley, 1991). The whole essence is to effectively motivate employees to maximise their performance and this has been closely linked to appraisal, employee reward and service quality.

#### 2.2.5 EMPLOYEE REWARDS

This is a method used by HR to review individual performance and bring to light the development and training gaps of each individual employee. The review is done bearing in mind the aims and objectives of the organization which are measured based on set criteria. It should be a two way discussion about the past period's performance and the forecast of reviewed expectations and objectives.

A large number of studies have reached the conclusion that reward is a powerful tool if used properly which can enhance employee behaviour and ultimately lead to improved performance and service quality. But this is not altogether a general conclusion, since there are believed to be some negative effects of rewards. According to Kerrin and Oliver (2002), rewards and compensation systems motivate employees to give their maximum efforts towards assigned work. If management want workers to contribute innovative ideas – to act as knowledge workers – then reward systems will need to be redesigned to look more like those used for knowledge workers.

Employees truly appreciate managers who appreciate them and trust them enough to play an active role in shaping the work environment (Fawcett, Rhoads and Bunah 2004).

Retail employees always have to meet the expectations of customers and managers through service delivery. kagaari et al, 2010 reveal that effects of performance management practices in public sector organisations are affected by institutional factors.

Each HRM practice in retail should be a source for employee satisfaction and then employees will be loyal and willing to stay in those organizations because, employee satisfaction on the job will affect service quality and employee loyalty in retail stores. Fairness in reward is a core issue for retail as it is directly related to some of the most important organizational outcomes. However, the majority of the existing research about this question has been focused on entry-level selection, and there is a gap in knowledge in the context. According to Luthans (2000), reward is divided into two main types namely: financial and non-financial and they can both influence performance positively through employees behaviour. Rewards have been rated differently by different researches. Some like the economic research have relegated reward to the background but still it makes waves with others. This does not end at motivating but could equally bring about organisational commitment through their effect on employee identity, which is discussed in Akerlof and Kranton (2005).

Authors like Day, Holladay, Johnson and Barron (2014), Fischer and Schwartz (2011) declares important of great influence governing reward system of work effort". Day et al (2014) argue that employee communication of their needs to managers is essential in order for them to respond to that need. For those employees who communicate more with their managers regarding their need may receive more favourable outcomes as compared to those employees who communicate less with their managers about their circumstances. Deconinck and Stilwell (2004) speculate that fairness in the distribution of rewards is an important determinant to employee satisfaction.

"Total reward is about providing employees with a clear understanding of everything you offer them, to reinforce how much you value them. Indeed, 47% of those companies using total reward statements believe they are cost-effective communications tool, and may use them to increase engagement not just reward so as service quality meant, but also with wider company considerations on its vision and values and learning and development opportunities". (Thomson, 2013)

For instance, Tesco as a rewarding company does not believe that cash is always the king when it comes to rewards. Workers are more likely to join a company, work hard and stay

with a business if they believe the job will provide personal satisfaction, growth opportunities, appreciation and a sense that they are part of a team. Rewards other than money can send strong messages to staff. The employee is encouraged and motivated depending on their individual needs and situations to succeed. Reward is aimed at achieving Increase productivity, Reinforcing positive behaviour, raising staff morale and loyalty, energising and inspiring employees and improving employee performance satisfaction through work related goals.

#### 2.3 SERVICE QUALITY

#### 2.3.1 QUALITY

Quality is a multi-dimensional phenomenon; reaching service quality without distinguishing the important aspects of quality is impossible. Services are increasingly becoming a larger portion of many retail organizations regionally, nationally, and globally and are considered as a tool for revenue streams (Mosahab, Mahamad and Ramayah 2010). Quality is the standard of something as measured against other things of a similar kind, the degree of excellence of something (Veres, 2005). Many researchers with their studies have tried in defining the concept of quality based on different aspects. It is right to say, maybe there is no uniform definition of quality until now for quality can have different meanings based on the aspect of research.

Studies have shown that there are many reviews on quality without focusing on the chosen definition. The study by Cronin and Taylor (1992) states that quality, value and customer service are linked to employee evaluations and compensation packages; their argument is based on the implicit assumption that improve perception of quality, value and satisfaction in a service should lead to favourable outcome directly, no research reveal have evaluate the three together therefore this gap has call for a new research regarding the impact of service quality, value and satisfaction.

Quality, particularly service quality, has become one of the most important concepts of management-related publications. Service quality has increased massively today, beside manufacturers and producers, service providers particularly retailers have to face competition.

According to the Central Statistics Office (CSO), the sales value of retail sales in Ireland increase from 105.2 in 2015 to 113.7 as May 2016 among medium size companies especially

the ones that provide commercial services (CSO, 2016). According to retail Ireland Market competition affects retail service providers most profoundly. Nowadays, customers can choose from a multitude of retail establishments, offering identical products and services, thus the retailer is forced to distinguish itself from its competitors. In other words, the retailer has to treat its employee well and serve its customers better, in a different way or at a higher quality level.

Accordingly, in order to remain competitive and to comply with the requirements of the standardized quality management systems, retail service providers need quality conscious business management and quality improvement. Quality-conscious business management means an opportunity for systematic review, regulation, accountability and self-revision for business organizations; at the same time it provides a competitive edge through the close relationships built with customers and the constant improvement of service quality standards (Hernon, 2001). While there are several models, assisting management of manufacturing and production companies with selecting the quality improvement approach that best suits them; managers working in the retail service sector are offered only a limited number of models. So HR practice is of great significance for retail management to enhance service quality.

#### 2.3.2 SERVICE QUALITY

In the retail industry the issue of customer satisfaction and loyalty is becoming an increasingly great concern to managers. Retail industry need to understand the relationship that exists between the service quality they offer and its impact on their customer's satisfaction and loyalty. It is imperative that service quality plays an important role in customer satisfaction and loyalty. Retail commitment has the service quality potential to elevate the role of HR practices. According to Barber and Goodman (2011) service quality is an essential strategy for success and survival in today's competitive environment. What service quality meant to customers and how to develop strategies to meet customer expectations is of importance in retail industry. Chang (2009) describes from his perspective how service quality should be approached. He says that service quality should be looked at from the individual's point of view. He argues that different customers have different values, different grounds of assessment and different circumstances.

Other researchers note that service quality is based on the customers' experience about the service that the customer perceived through the service encounter (Berry, 1981). Service quality means the standpoint of general quality of service and global evaluation according to Parasuraman, Berry and Zeithaml (1991). Therefore, Service quality is a long-term cognitive judgment regarding an organization's excellence or superiority. Service quality is totally different from customers' expectations and views. According to Hokanson (1995), satisfaction occurs when some factors such as quality of service, friendly, courteous, knowledgeable and helpful staff are carried along. In addition to the above, correct receipt, competitive pricing, quality of service, great value and speedy services enhance customer satisfaction and loyalty. The service itself is provided in the course of the service provider and buyer interacting personally or via telecommunication. Mosahab et al (2010) study on service quality and bank's reputation discoveries that, service quality has direct effect on the bank's reputation and that the bank's reputation plays an important role in determination of purchase, repeated purchase, and customer loyalty.

So in this study, retail management also has an important part to play in service quality, for service quality in the retail industry is of importance. As a result of definitions presented in this review, in my interpretation service means more than the mere activity result; it is an interactive process as well. Service is an avenue aimed at reaching customer expectations. Services do not manifest themselves rather they meet customers' needs through direct contact with the customers as the way of providing services and act of utilizing it.

So, the role of service quality due to customer waiting time and customer loyalty are considered important in the retail industry. Therefore, the retail industry should continuously monitor and evaluate the services offered to their customers. Oliver (2010) argues that service quality derives from customer links between their expectations and perceptions regarding the service to be used and the service company.

From this an assessment occurs concerning the customers' expectations to the wellness of service delivery. Service quality is essential in ensuring customer satisfaction and should be in sync with customer perceptions and their expectations. It has been argued by many that service quality is the result of a comparison between an individual's expectations about a service and how they perceive the company which is producing it. From this the conclusion is drawn that if an individual's perception about a service is greater than the expectations they will view the service as being good. The problem is when the expectations of the services are not met, the product is considered to be bad (Habir and Carlson, 2010; Oliver, 2010).

#### 2.3.3 SERVICE QUALITY GAPS ANALYSIS

Grönroos (1982) describes service quality in the technical functional model, using gap model service quality. A well-known model of service quality is The Gap Analysis Model which was developed by Parasuraman, et al., (1991). The GAP model of service consists of five gaps and it is divided into two parts. The first part has to do with the internal process within a customer and the second part relates to the process which takes places between the company providing the service and the consumer. The gaps arise because of inconsistencies in the quality of management. Below the five are described:

#### Gap One - Management Perception Gap

In this gap lies the difference between the expected service by customers and the management's perceptions of consumer expectations. There are a number of factors which lead to these gaps which can include inadequate marketing research and service quality, poor communication between management and customers, lack of a two way system of communication within the company and a lack of understanding as regards consumer expectations.

Gap Two - The Quality Specification Gap

In this gap lies the difference between the company perception of customer expectation and customer driven service designs and standards. Gap Two may occur because of planning mistakes, lack of management commitment and lack of customer-driven service standards.

Gap Three – The Service Delivery Gap

This gap occurs because of the difference between customer driven service designs and standards and service delivery. Poor management of service operations, inappropriate customer needs and a failure to match the demands and capacity can all lead to gap three.

Gap Four – The Market Communication Gap

This takes place when there are discrepancies between service delivery and external communications to customers.

Gap Five - The Perceived Service Quality Gap

This is the gap between perceived service and expected service. These gaps may lead to a bad reputation, lost customers, negative corporate or local image.

(Zeithaml and Bitner, 2000)

The model is a guideline for management to identify the reasons for quality problems and develop mechanisms to avoid or close the gaps. It helps anticipate upcoming service quality problems and develop ways to cope with them.

A crucial point when trying to improve service quality is to remember that the customers are the judge of service quality, which is easily forgotten. A company will manage to achieve a strong reputation for service quality only if they consistently meet customer service expectations using good HR practice with their employees.

The retail sector should know how customers evaluate services; the study of Parasuraman, et al., (1991) shows that there are principal dimensions that customers use to evaluate company's service.

• Reliability - This is when a company performs the service as promised, dependably and accurately.

• Tangibles - This is how the premises, physical facilities, equipment, and communication materials are displayed and appear.

• Responsiveness - This is the Companies' and employees' willingness to help customers and provide the required service.

• Assurance - This is when a company has well informed courteous staffs that also have the ability to convey trust and confidence.

• Empathy - This when the company provides caring, individualized attention to customers. (Parasuraman et al., 1991).

Retail employers need to make sure they know what service quality is and what it means to the business, ensuring business ties employees' actions to the overall business performance. HR practices are the link to service quality for services are managed mostly by employees while HR practices directly influence employees and services in the workplace have an effect on customer happiness. Therefore companies should invest in training all members of staff for it raises awareness amongst workers, with the responsibility to provide quality service and also sets goals for staff. The above were just a few of many ways of improving service quality.

#### 2.3.4 TECHNOLOGY SERVICE

Technology is continuing to have a growing impact on the retail market and it can also aid service quality. Companies are able to use technology in order to enhance service quality and meet market demands (Parasuraman et al., 1991). Several research papers have gone into the field of service quality over decades and researchers have developed several perspectives. Wang, Shieh and Hsiao (2005) took reputation as a crucial factor affecting service quality. They, in the context of e-service, showed the importance of reputation to service quality when it comes to technology. Technology is useful in enhancing customer satisfaction and making the job easier for employee. So the impact of HR will not be neglected on this issue as technology is necessary. Furthermore, Huang and Dastmalchian, (2006) argue that companies from certain cultures may have an inherent advantage over others in their ability to develop customer relationships, and thus compete in global market. So, importance of trust need to be address for good reputation would positively affect trusting behaviour.

The use of technology is continuously growing. It's important for companies to make the most use of this but only to ask for customer's information sparingly. Customers should be asked questions which will help identify their needs and serve them better; it should be employed discreetly. Technology has a major influence on service quality, customer satisfaction and loyalty within the retail sector as the element of direct contact and interaction exists greatly between the staff and customer (Heskett, Sasser, and Schlesinger, 1997). As a result institutionalising a culture of customer service is thus beneficial for the retail industry (Churchill and Halpern, 2001)

Churchill and Halpern (2001) found a decentralized structure that empowers frontline staff members is also necessary in promoting internal service quality. Such an environment structure consists of delegation of authority and the opportunity to participate in decision-making within the retail sectors. Technology service in retail has an effect on internal service as well as retail staff.

#### 2.3.5 INTERNAL SERVICE QUALITY

Internal service is described as the services provided from one department to another or to an employee within an organisation (Stauss, 1995). In order for HR to achieve internal service quality, they have to consider ways for hiring, training, maintaining quality employees and

providing great internal customer services for the employees. These employees are known as internal customers. Voss, Calantone and Keller, (2005) Service delivered internally culminates in the service level delivered by front - line employees to the external customer. Thus, if the job tasks of front - line employees and departments are not performed efficiently and effectively the results can be detrimental to service levels provided to customers, supply chain performance, and the financial well - being of the firm. By effectively managing the internal services employees receive by their employers, there will be increased performance, productivity and satisfaction and retention levels. In order to influence performance it is necessary to understand the company's internal strengths and weaknesses.

HR function impacts on internal service through the experience, judgment and intelligence of management and workers within the company thereby setting clear expectations for all parties involved. Discussions have been made on the strategies that an organisation can establish in order to build an internal customer-orientated service (Reynoso and Moores, 1995; Vandermerwe and Gilbert, 1991). This can be achieved by simply placing focus on the existence of internal customers, differentiating between the internal customer and suppliers, emphasis to be made on the expectations of internal customers (Auty and Long, 1999; Vandermerwe and Gilbert, 1991). Following these steps internal suppliers, i.e. Human Resources should be communicated with the expectations of internal customers and work towards the delivery of these expectations and services in addition to combat any obstacles that may stand in their way that may not allow for the expectations to be met or applied. After delivery and implementation, measures that allow for internal customers to give feedback should be available as this helps the suppliers view the satisfaction levels and note any changes or improvements needed, (Wilson et al., 2012).

Taylor and Baker (1994) reviewed that service quality and customer satisfaction are seen as key effect on building customer's purchase intention in a service environment. They also note the effect of the development of a better understanding of how service quality perceptions and customer satisfaction judgments interact or influence one another. Clarity on internal customer responsibilities is needed to meet and exceed customer expectations; internal customer service providers must clarify what is needed from the customer to fulfil the request. Internal customer service responsibilities must be properly defined with priorities discussed (Miller, 2011). See figure 1

#### The Links in the Service-Profit Chain

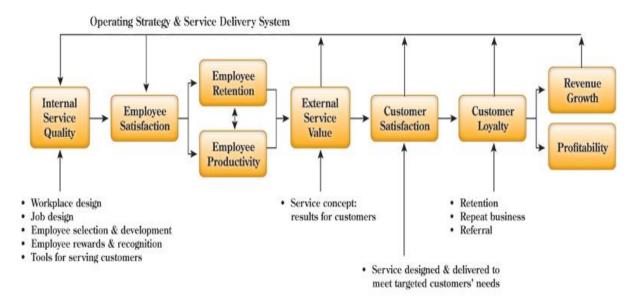


FIGURE 1 THE LINKS IN THE SERVICE-PROFIT CHAIN

# FIGURE 1: THE LINKS IN THE SERVICE-PROFIT CHAIN (Heskett, et al., 1994, p, 166)

The links in the Service – Profit chain show us how providing effective internal service leads to customer satisfaction and loyalty and to a successful and profitable organisation. The components that establish internal service quality have been listed as workplace design, job design, employee's selection and development, employee rewards and recognition and lastly the tools for serving customers (Heskett.et al 1994). This study states that service quality measurement cannot be generalized because particular services have different characteristics and determinants e.g. the purpose of the service or the quality of the customer supplier relationship. Taking into consideration the different service typologies, so HR practices on the internal customers' have great positive impact to the retail store.

#### 2.4 EMPLOYEE SATISFACTION

Satisfaction of employees can be considered as one of the important factors for improving the service quality. There have been several studies on employee satisfaction with different industries internally where employee satisfaction is reviewed with an employee survey that was delivered across the company's vast employee base every year which is used to identify where change is needed. Employees are part of the "family" with the premise being that internal relationships influence company interaction with its customers. Making staff feel more valued motivates them to pull out all the stops and provide a better service to those outside. (Strategic Direction, 2009).

Turkyilmaz, Akman, Ozkan, and Pastuszak (2011) state that employee satisfaction is an important variable that is able to give an opinion about general emotion and thinking forms of employees about their job and workplace. According to Turkyilmaz et al (2011) employee involvement and feedback improves employee satisfaction as stated on total quality management However, this study would say that HR practices play important role with employee satisfaction link to employee loyalty.

This research continues by saying that listening to what employees want (namely an interesting job, to be respected, to have a helpful manager and career opportunities), management should place these issues at the forefront of the company's 'people agenda'. Despite the vast size of the retail, employee satisfaction is seen as a key factor to any company's success. High qualities of services are provided by employees who are satisfied within their workplace. Satisfied employees create satisfied customers (Hartline and Ferrell, 1996). By understanding this link between HR practices, service quality employees and customers we can predict how the link works or would end if it started with customer dissatisfaction (Reichheld, 2000).

Many researchers have tried to establish the impact employees satisfaction has on customer satisfaction. The study of Farahbod and Arzi (2014) on the hotels of Malaysia state that employer as well as employee desires to have job satisfaction. Job satisfaction enhances staff productivity and reduces turnover. Moreover, core HR practices have an influence on employee satisfaction which has a strong link with customer satisfaction and loyalty.

The social exchange theory grounds the notion that employee satisfaction leads to service quality by viewing the concept as normal human behaviour. The underlying argument taken from the theory is when something is given to an individual, or their needs and desires are met, the person is then motivated to also return something (Chibucos, Leite and Weis, 2004). For the theory to work the exchange needs to occur, without it there is no foundation. The process also constructs positive relationships between the concerned parties. Loyalty, trust and mutual commitment is developed (Cropanzano and Mitchell, 2005).

Therefore this study recognises core HR practices as internal learning through the collection and analysis of information and the assessment of the information carry a positive change as employees learn to play an important role in the retail sector as well as customers. For the internal learning process to be successful, a willingness to be challenged over actions and achievements must be established in the retail workforce. Employees taking part in the training process must understand the need to do so and be committed. Management must convey that learning can drive improvement and performance in the retail sector and also affect the development of the employees, resulting in retail organizational success along with opportunities for promotion (Van Dyk and Conradie, 2007).

#### 2.5 EMPLOYEE LOYALTY

The study of Wikinson and Fay (2011) reveal that rival visions and prospects surrounding employee loyalty and participation are in constant conflict with each other. Employee loyalty is of special concern when considering its relationship with service quality delivering. However HRM must apply caution in listening to employees. Brogger (2010) says that employee loyalty must be confirmed over time and be the subject of constant attention if it is to meet the ever changing demands of the retail business environment in which it operates. This makes it difficult for the retail sector to identify whether or not every employees has the right and indeed the ability to contribute to a retail organisation's success.

Many studies argue that employee loyalty is value creating; the resource-based view considers that "loyal employees within retail organization provide a competitive advantage to retail business" (Bhatnagar, 2007, p. 7). However, this idea needs to be put into perspective: despite evidence on the positive links between certain forms of loyalty and certain types of performance, it is difficult to draw any conclusions that could be applied generally.

Mokaya and Kipyegon (2014) work reveal that in recent years; employees' comfort on the job has been recognized as an important factor for measuring their productivity. So, HR should apply talent management to ensure that retail organizations can successfully acquire and retain essential talent and review the extent of employees' commitment and loyalty. Employees working within the Irish retail industry are influenced by HR practices generally which leads to employee satisfaction and loyalty. According to Hughes and Rog (2008) Talent management is integral to engaging employees in the organization. They also said that it is a multi - faceted concept that has been championed by HR practitioners, fuelled by the war for talent and built on the foundations of strategic HRM. Also, it may be seen as an organizational mind-set or ethic in which employees are truly valued.

HR practices impact on employees in delivering service quality in retail. In order to improve our understandings of the effectiveness of employee loyalty and retention, it is important to relate them to employees' views on their importance with a consequent effect on customer satisfaction and loyalty. It is thus important for organizations to identify the factors that operate as motivators for retention and consider the value attributed to those factors by employees (Vos and Meganck, 2009). Satisfied employees demonstrate attributes such as loyalty, trust and commitment to the organization. When employees are satisfied and focused with their job, they are more creative and innovative and offer advances that allow companies to evolve positively over time with changes in market conditions. It means organizations that desire to improve their performance must be concerned about internal issues related to employee loyalty and view their employees as customers too. Despite employee satisfaction being an important ingredient to employee loyalty and service quality. The extent to which retention factors lead to the desired result, i.e. making employees stay, depends on their impact motivational forces. These motives drive decisions about staying or leaving (Anderson, Coffey and Byerly. 2002, Maertz, and Griffeth, 2004).

Employee loyalty is basically a high level of employee involvement, commitment to the organisation and job satisfaction. Loyal employees value, enjoy and have pride in their work. In as much as employee loyalty focuses on team-building initiatives, surveys on employee opinions have been found to be linked to cooperation, involvement, satisfaction and commitment on the part of the employee and have been utilized as a tool to enhance employee jobs (Bloom and Michael 2002). Employees are provided satisfaction to make them loyal. But most of the organisations still fail to satisfy their employees and to receive their

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loyalty because they do not know about the factors that help in getting employee loyalty (Rai and Asian 2012).

Frequent and open communication is crucial with employee loyalty. We could say that boosting morale and motivation for individuals and team members is absolutely essential. Meeting the needs and expectations of all the stakeholders is also important as this process of HR practice is put to work. The way people are treated is always evident in their loyalty, attitude and ultimately the end result. People have to be treated with respect and trust but they can only achieve that when they have been entrusted with responsibilities (Armstrong and Kotler, 2015; Wellington, 2011:4)

HR practices will go a long way in retaining competent workers with quality service which contributes to customer satisfaction and loyalty in the retail sector. Dobbins and Gunnigle, (2009) theory argues that individuals base decisions about their behaviour on the anticipation that one or another alternative behaviour and particular desired outcomes is affected by individual factors such as personality, perception, motives, skill and abilities. It postulates that employees' loyalty is dependent on how the employer perceives the relationship between efforts, performance and outcome. So employee a loyalty has positive impact in the retail sector on service quality. Therefore, positive practices that bind the employee and customer together are crucial to be recognised in order to gain more knowledge on how to build customer satisfaction and loyalty (Kumari, Usmani and Husain, 2013).

#### 2.6 CUSTOMER SATISFACTION

A customer can be defined as an individual who purchases a goods or a service. A customer has the right to express their dissatisfaction with a product or a service if their needs or expectations are not met (Czarnecki, 1999). Edosomwan says the customer is the receiver of the finished product. He believes that customers are classified under three categories. These three categories are the self-unit customer, internal customer and external customer. Customer satisfaction has been examined in the retail industry (Bloemer and Odekerken-Schroder, 2002). In order to attract customers to make purchases, customer satisfaction must form the basis of all major considerations in the erectly competitive retail industry, therefore

the implementation of core HR practices are necessary in the retail industry and should be taken seriously e.g. the training and re-training the employees.

According to the handbook of satisfaction, customer service is a measure of how all the organisation's products perform in relation to the customers' expectations about them. (Grigoroudis and Siskos, 2010). Armstrong and Kotler (2015) state customer satisfaction depends on two things. That is, if the product doesn't meet the expectations of the customer, the individual will be dissatisfied. If the product meets the expectations of the customers then the individual will be satisfied with the product.

If the performance of the product exceeds the expectations of the customer, then the individual will be highly satisfied and delighted.

Hansemark and Albinsson (as cited in Singh 2004) added, satisfaction is more about opinion to a supplier of a product or sensitive reaction towards what the customers expect and get, concerning fulfilment of some goals or desires. Kotler (2011) says satisfaction is a one's reaction to pleasure or dissatisfaction due to the outcome when comparing a product's perceived performance, relating to what one is expecting.

According to Szwarc (2005) "You can either be satisfied with the services giving to you or not". Customer satisfaction is a central indicator in measuring and analysing a company's success. Yet there are a few pointers which may lead to customer dissatisfaction. Customer dissatisfaction is the main reason for customer decay. Hill and Alexander (2006) came up with 5 gaps in order to explain customer decay:

Gap 1- The promotional gap can lead to loss of respect and trust

Gap 2 -The understanding gap. Managers fail to identify with the needs of the customer.

Gap 3- The Procedural gap. When the company has an awareness of customer needs yet doesn't deliver.

Gap 4 - The behavioural gap. This occurs due to the lack of adequately trained staff.

Gap 5 - The perception gap. Perception of the performance of the retail organization may not match the reality. Past negative experiences can recreate such a view or from what they hear around them. (Materson 2009; Parasuraman et al 1991).

Therefore, with core HR practices the outlined gaps will be closed. Customer satisfaction is seen as "a measure of how an organisation's total product performs in relation to a set of customer requirements" (Hill, Brierley and MacDougall 2003). Customer satisfaction is believed to be the pivotal philosophy of the marketing strategy of any retail organisation. Customer satisfaction is extremely important in building brand loyalty. Oliver (2010) says

that positive customer satisfaction is a factor which determines the long term behaviour of customers. " It is a judgment that a product or a service feature, or the product or the service itself, provides a pleasure of consumption-related fulfilment "(Oliver, 2010) From this we can interpret that satisfaction is the customer's evaluation of a product or service in terms of whether that product or service has met the customer's needs and expectations.

Customer satisfaction is important to the retail industry or most other industries as it provides them a metric which they may use to manage and improve their business.

Customer satisfaction metric is essential when managing and monitoring businesses. In addition to knowing and understanding your customers, it is highly imperative for a business to develop and have regular and in-depth customer satisfaction polling. This could be introduced by first and foremost, talking with the customers, finding out what they like (and dislike) about.

Also customer waiting time is a very important aspect of customer satisfaction; core HR practices could influence customers by the hiring and training friendly employees. McGuire, Kimes, Lynn, Pullman, and Lloyd (2010) reveal that the relationship between wait duration estimates, wait evaluations and satisfaction may change in the presence of certain situational or retail environmental elements in the wait environment. Also (Bielen and Demoulin, (2007) say that satisfaction with the waiting environment has been shown to strongly influence waiting satisfaction, and when customers are dissatisfied with the wait, they must be more satisfied with the service to have the same level of loyalty as customers who were satisfied with the wait. Therefore, in order to maintain satisfaction, managers need to understand and manipulate customer reactions to elements of the waiting environment. After core HR practices, measures that allow for internal customers to give feedback should be available as this can help retailers view the satisfaction levels and note any changes or improvements needed (Wilson et al., 2012). Taylor and baker (1994) study reviewed that service quality and customer satisfaction are seen as key effect on building customers in service environment, and also help with the development of a better understanding of how service quality perceptions and customer satisfaction judgments interact or influence one another. Customer satisfaction is reachable with enhanced HR practices on employee service quality, for customers are of importance to the retail sector.

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There are many ways to build customer satisfaction with HR strategies and below a few of these ways will be discussed. (Chang, 2009; Ohtonen, 2012).

# 2. 6.1 NINE DIMENSIONS OF CUSTOMER SATISFACTION

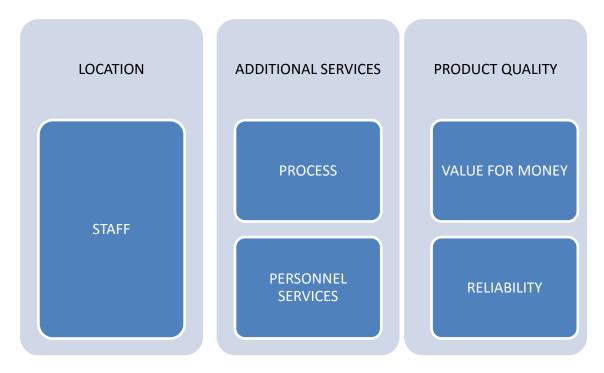


FIGURE 2 THE NINE DIMENSIONS OF CUSTOMER SATISFACTION

## (Hokanson, 1995)

Studies have revealed that there are numerous aspects that affect customer satisfaction, within this section the Nine Dimensions of Customer Satisfaction will concentrate on the following nine aspects: Location, Additional Services, Product Quality, Facilities, Staff, Process, Personnel Services, and Value for Money and Reliability (Hokanson, 1995).

## LOCATION

Convenience and accessibility are attractive points that push a customer closer to a retail store. The nearer the store is located to home, the more a customer will frequent there as there's little costs incurred with time and travel. However it has been found that the geographical location where the store is positioned, e.g. Grafton Street, invites customers to the store (Craig, Ghosh and McLafferty, 1984),

## ADDITIONAL SERVICES

Additional services provide benefits and convenience for customers towards their shopping experience which contributes to their overall satisfaction and loyalty. It can be in the form of any the following, loyalty cards, car parks, baby areas and home delivery (Martinez-Ruiz, Jiménez-Zarco and Yusta, 2010; Berry, Seiders and Grewal 2002).

#### PRODUCT QUALITY

Product quality on the whole is looking to satisfy the given needs through a totality of features and qualities (Winder and Judd, 1996). The quality of a product is divided into eight attributes but only three of these are important to the retail industry. The product quality is measured by three factors namely variety, freshness and durability (Garvin, 1987). Variety motivates more purchases, establishes convenience in terms of travel and costs while also pulling the customer to the retailer (Dellaert et al 1998; Dhar, Pain and Thomas, 2001).

#### FACILITIES

Facilities within the retail industry that bring about customer satisfaction to the customer would be atmosphere, total and general outlook of a store, through the creation of the display, music, clean and clear environments within and outside the store (Hokanson, 1995). Customers' sensory organs are stimulated by vibrant colours, ads concealing parts of the checkouts and floor (Inman, Winer and Ferraro, 2009). The advertisements help remind customers of attractive products on offer and available to them whilst shopping. Overall good layout of the store effects the consumers positively (Yuen and Chan, 2010). Terblanche and Boshoff (2004) emphasise that good, clear, clean layout of products and aisles are elements contributing to customer satisfaction.

#### RELIABILITY

Reliability is a key within product quality (Garvin, 1987). Consistency is important when it comes to reliability (Shostack, 1987). Reliability deals with entrusting a store to keep its promises at all times. Dependency and accuracy are the key elements here (Wilson et al, 2012). Where the store fails or breaches to honour a promise to its customer, automatically there is dissatisfaction on the part of the customer. Whereas the store honouring promises

always increases the customer's loyalty as there is the formation of trust and satisfaction (Yuen and Chan, 2010).

#### PROCESS

This view comprises many sections associated with a store which include checkout of all kinds, opening hours and queue periods. Katz, Larzon andLarzon (1991) refer to time spent waiting at the checkout as part of an experience that can affect customer satisfaction, while Hui, Dube and Chebat (1997) are of the opinion that long queues can adversely affect stores' patronage. According to Taylor and Baker (1994), reduced waiting periods at the checkout leads to 'greater consumer satisfaction.

## VALUE FOR MONEY

Customers are known to be the main avenue to any successful business. Ciavolino and Dahlgaard (2007), state that value for money is an assumed quality level in respect to the cost of goods or services. It is believed that pricing also affects customer satisfaction (Cronin and Taylor 1992). The study of Zeithaml (1988) states that, "the value for money by customer is general evaluation of product value based on what is obtained and agreed".

Deduction from Keaveny's studies claims that customers switching stores could be caused by poor price perception and adding to this claim Varki and Colgate (2001), confirm that pricing awareness honestly effects customer satisfaction. HR function here is to see that costumer money paid on their purchases have value for their product.

#### STAFF

Employees are an essential part of any organisation, since they are the means through which companies can carry out their framework in order to achieve set goals. Services provided by a staff can be measured on how helpful, knowledgeable and moody they are during their interaction with costumers. Service quality and successful implementation of a company's marketing concept is to a great extent dependent on the front end employees due to their direct customer interaction (Liao and Chuang, 2004).

At work, employees are expected to display a certain level of dignity while interacting with customers, since they are the main link between the store and the customers. This attitude or skills could either be viewed as positive or negative and they represent a critical factor in developing effective corporate relationships with customers (Gwinner, Gremler and Bitner, 1998)..

# 2.7 CUSTOMER LOYALTY

Linking strongly with customer satisfaction is customer loyalty. Khan, (2013) says customer loyalty is termed as customer commitment to do business with particular organization, purchasing their goods and services repeatedly and recommending the products and services to friends, acquaintances and associates. Loyalty is more than just repeat purchase. Loyalty is how attached a customer is to an organizations, staff, products and their services. Customer loyalty is both an attitudinal and behavioural trend to favour one brand over another, this can be due to satisfaction of the product/service, convenience, performance or simply familiarity and comfort with the brand. (John 2011; Marshall 2010) A lot of work goes into the area of customer service and customer loyalty within marketing teams. According to Khan (2013) customer loyalty is winning the confidence of the customer in favour of an organization so that the relationship becomes a win-win situation for both the organization as well as the customer. Many retail organizations have developed customer loyalty programs as a part of relation development activities. Customer loyalty is a complicated concept. However Bloemer, Odekerken- Schroder (2012) said that in the service area, loyalty has been defined in an extensive form as observed behaviours. Notwithstanding research has been done in this area in America, UK, Iran, India and many other places outside Ireland. Meanwhile, this study reflects on articles in which HR practices and service quality forms a part of customer loyalty. Caliskan (2010) stated that HR practices are one of the core sources that facilitate an organization to fabricate its strong competitive advantage. Customers' loyalty comes as a result of satisfied customers and service quality. An individual can be said to be loyal if they regularly make purchases in a shop, they purchase different products and services, and they recommend the store to others and demonstrate immunity to pull competition (Griffin, 2002).

Below are ways HR practices help to obtain and improve customer loyalty (Churchill, 1997; Kotler, 2011).

- Make sure you have the right employees that have enough training to deal with customers.
- It is important to thank your customers for being loyal. It could be done via email, text messages or letters depending on the product or service. If it's for high cost services, a handwritten letter will be more acceptable. Appreciation notes should be sent to customers on a scheduled basis to show recognition.
- Keeping contact. It is important to keep in contact with existing and past costumers. They will not forget you if you do not forget them. Personal contact could be possible within smaller industries.
- Giving customers more than what is expected of you. For example offering fidelity vouchers or delivering more than what is expected. For example Tesco and Dunnes Stores offer coupons for loyal customers, this way they are making sure customers are constantly coming back to the store to receive more points when they scan their loyalty cards.
- Take time to listen to your customers. Even if customers complain about a certain thing truly listen to them and deal with their complaint in a calm and courteous manner. You can be reassured they will come back because of the way the situation was handled. But don't just leave it at that, aim to analyse the problem and solve it so it doesn't happen again.
- Employees should not get too comfortable and mind their manners in a workplace and how they respond to the customers when they are approached and also make realistic statements. When delivering goods make, sure the information given is accurate to avoid complaints.

Customers' loyalty comes as a result of satisfied customers and service quality. Customer satisfaction is a key factor in the formation of a customer's desires for future purchases (Mittal and Kamakura, 2001). A study was carried out in 2005 Wang et al. to test the relationship between service quality, customer satisfaction and loyalty. The study found that there was a significantly positive effect of perspectives of service quality on customer satisfaction. Another study carried out by Al-Shammari and Samer Kanina (2014) at the University of Bahrain showed that the three factors have a strong relationship. The study was carried out on a Saudi Arabian Automobile company. The results of the study indicate that there needs to be continuous improvement in the service quality in order to increase customer satisfaction and loyalty alongside other factors.

It's evident from different studies carried out within different industries that service quality, customer satisfaction and customer loyalty all have a co-dependent relationship with each other, and there is also a link between them and HR strategies. The impact of HR strategies is very important as employees are the first focus for customers in the retail industry.

# 2.8 THE IRISH RETAIL INDUSTRY

The Irish retail industry authority gives a complete authoritarian interaction service across a wide range of issues concerning the Irish retail industry, to ensure that they are knowledgeable of all industry, legal and public policy developments at Irish and EU level. As part of its function, the Irish retail industry board are responsible for interpreting legislation and analysing proposals, conducting primary research and delivering weekly, monthly and annual data, unique to the sector and tailored to member companies.

The Irish retail industry not only provides data advice and research, they also survey their members on a regular basis regarding their views and opinions for good management.

Retail Ireland is the only Irish representative body to be a member of Euro Commerce, the highly influential European retail industry federation.

In Ireland, the retail industry is one of the most important economic drivers in the Irish economy. It generates a lot of economic activity ranging from jobs and the provision of assorted goods and services. It is estimated that in approximation over 300 thousand jobs are directly linked to it; in terms of revenue it contributes around  $\in$ 11 billion euro which equals about 8% of the Gross Domestic Product (GDP), (CSO, 2016). The importance of such an

important industry calls for better understanding of service to customers, HR practices and employees.

The member companies are regularly briefed on relevant developments at EU level and are offered the unique opportunity to directly contribute to debates in Brussels. Retail is Ireland's largest industry and largest employer, with a presence in every city, town and village, right across the country. According to Retail Ireland (2015), the Irish retail industry has about 44,000 retail and wholesale in Ireland. It shows that 90% are Irish owned businesses while 77% of Irish retail businesses are family businesses. The Irish retail industry deals with food drink products, clothing and other things as well. Many people are working in the retail industry in Ireland which accounts for over 275.000 employed and providing almost 15% of Irish jobs (Retail Ireland, 2015). CSO reviewed that the Irish recovery from economic meltdown has had a positive effect now in consumers' pockets, since 2015 Ireland's economy has continued to improve.

However, despite the slowdown in the business economy at large, making profits has been the major aim of every retail industry in Ireland for many years. Ireland now has population of 4,757,976 persons in April 2016 compared with 4,588,252 persons in 2011 (CSO, 2016).

Modern retailing is forcing the Irish retail landscape to continually change with several outlet closures in 2015, including the closure of the iconic Clerys department store and the announced closure of the Boyer's department stores, which ceased trading in January 2016. There seems to be falling demand for traditional department stores across Ireland as many customers have developed a preference for shopping in out-of-town shopping centres and retail parks as well as internet retailing.

Nevertheless, grocery retailing continues to increase in the number of outlets operating in Ireland in recent years as Lidl and Aldi continue to improve their market shares. Irish economy seems to be back on track with a big turnaround, customers are expected to demand greater service and value for money than ever before in order to be loyal to their retail shop while employer should employ HR practices to help employees improve service quality (CSO, 2016). See table1 below

# RETAIL SALES

# MAY 2016 (PROVISIONAL) APRIL 2016

#### All Businesses

	Volume Index	Value Index
May 2015	105.2	94.9
April 2016	113.0	99.3
May 2016	113.7	99.9
Monthly % change	0.7	0.6
Annual % change	8.1	5.3

**TABLE 1** RETAIL SALES VOLUME (C.S.O)

The retail sales increased by 0.7% in May 2016 compared with April 2016 which gives increase of 8.1%. This means that employee and customers are of importance to retail industry. See **table 1**.

# 2.9. CONCLUSION

HR practices are retail organization's advantage, an essential asset that is becoming increasingly important in retaining employee loyalty. The literature has revealed how service quality is connected to customers and employees as employees are the first focus for the customer. The selection of core HR practices reveals that the more satisfied an employee, the happier will be the customer, that HR strategies have an influence on the growth of any retail sector and on employees.

The literature reveals that the ultimate in customer satisfaction, is giving customers exactly what they want, for customers are the most valuable asset of any retail organisation and profit depends on how many customers the organisation has, how much they buy, and how often they buy. Customers that are satisfied will increase in number, shop more and bring in more people to do their purchases.

The retail industry needs to be a step ahead of the employees and customers in assessing their strategies so as to meet the expectations of their employees and customers for the retention and satisfaction of their customers and employees. Performance review is a very important key element for any retail organization to realize its set goals by making sure that individuals have a feeling of satisfaction and ultimately being rewarded adequately. All the prerequisites must be met for loyalty to be visible in the execution of the task; this would eventually lead to increased loyalty, which is important and essential. HR practices positively influence employee satisfaction and service quality which enhance customers' satisfaction and loyalty by the retail sector enabling employees to have a say; with core HR practices being use with employees regarding the decision making process, employees will feel an enhanced sense of loyalty.

Attracting and retaining customers and employees in the long-term is a key challenge for any retail organization as customers are at the centre of all business activities particularly in the retail industry while employees are in a position to meet the needs of the customers. So, retail industries should endlessly evaluate the services offered to customers; loyalty, satisfaction and enhancement of the customer are essential to maintain loyal customers, which form the basis for the sustainable competitive growth of the retail sector.

HR practices play an important role in employee satisfaction and service quality which have effect on customer satisfaction and loyalty. It works like a cycle. This cycle provides benefits and advantages to retail organisations, as the role of HR practices is to help improve the efficiency of the service in retail but complaints will always exist regarding customers' dissatisfaction of service delivery from employees in the retail sector which brings conflict.

In every retail sector there is always conflict at work which is inevitability between employers, employees and customers and cannot be eradicated entirely. A degree of conflict is common in any situation but there is scope for improving the way certain conflict can and often does escalate to the point of losing loyal employees and reducing service quality. So engaging employees in evaluation and HR practices provide potential benefits to retail sector service delivery and reduce the likelihood of costly disagreement and conflict from arising.

# **CHAPTER THREE**

# 3. RESEARCH METHODOLOGY

## 3.1 INTRODUCTION

This chapter explains the procedures for data collection and the method of data analysis that was used for this research. According to Collis and Hussey (2013), research is a systematic and methodical process of enquiry and investigation with a view to increasing knowledge. Also, Quinlan (2011) states that it is crucial to be able to give the reader indications of the research conduct and the logic notions moulding the research assumptions. Furthermore, researchers have a tendency for choosing a data collecting method and disregarding the fact that their chosen research methodology is impacted by a theoretical perspective and more so by the research philosophies (Gray, 2014).

The methodology of this study will include the research design, sources of data, sample size determination, tools for data analysis and instrument for data collection. It covers the plan and processes that would be enforced in establishing the research hypothesis. These include surveys, observation of various outlets involving three main retail chains and 2-3 stores of each of the chain. Data collection and analysis on this research will be justified.

The philosophy is objectivism, ontology and deductive which would be based on an educated guess that comes from the literature review and logic in the pursuit of this project. The tool to be used will be surveys and these will be implemented through a method of quantitative analysis. The positivism that is used would provide valuable insight into the local population.

# **3.2 RESEARCH QUESTION AND HYPOTHESIS**

This study is on core HR practices in the retail sector in Ireland and their role in service quality and the level of satisfaction and loyalty found in both employee and customers. This role is what the research is seeking to determine, whether the role of core HR practices in service quality, customer satisfaction and loyalty in the retail sector has a positive impact on customers and the staff. Do they effectively aid customer loyalty and at least help employees gain skills and experience in delivering quality of service to customers? The main indicator at present is to assess the success of the HR practices on service quality by analysing the satisfaction of both customers and employees among the study participants and to observe whether participants are satisfied.

## **3.2.1. RESEARCH HYPOTHESIS**

To make it possible for the main research question to be answered, hypotheses will be developed and tested, this study attempts to combine them and present a complete review of the research:

- H1 Service quality has impact on customer satisfaction
- H2 Customer satisfaction has impact on customer loyalty

- H3 HR practices have impact on employee satisfaction
- H4 Employee satisfaction has positive impact on employee loyalty
- H5 There are differences in the satisfaction of customer based on gender.
- H6. There are differences in the satisfaction of employees based on gender.
- H7. There are differences between satisfaction levels of employees compared to customers.

Knowing that each of the hypotheses link to one another, it is evident that they will have a direct positive impact on this study. However considering the individuality of these variables with separate concepts, the hypotheses are outlined to ensure the relationship between HR practices, employee satisfaction and loyalty, service quality and customer satisfaction and loyalty.

# 3.3. RESEARCH PROCESS /STRATEGY

This is basically the process that the researcher would implement in answering the research questions. According to Saunders, Lewis and Thornhill (2012), research strategy is the process adopted by the researcher. In this research, a process of surveys/questionnaires which are normally in tune with deductive approach will be used. Other strategies like, case study, experimental have been eliminated from the research. See fig3 below.

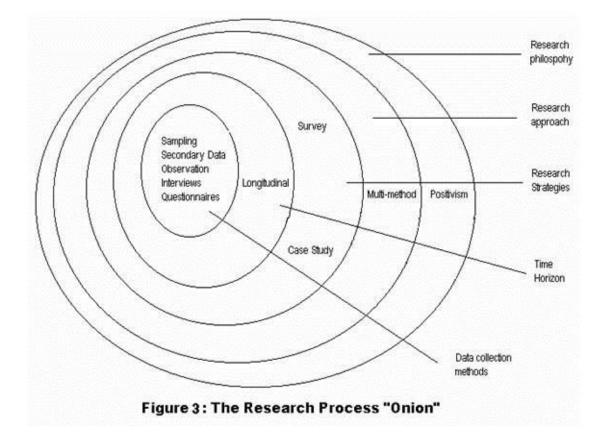


FIGURE 3 THE RESEARCH ONION

(Saunders et al 2012)

# **3.4 RESEARCH PHILOSOPHY**

A research philosophy is the way and manner that the researcher thinks about the growth and development of knowledge. The work of Saunders et al (2012) revealed that a researcher includes some assumptions in their own way that will support the researcher's chosen research strategy and methods. Research philosophy has branches namely Epistemology, Ontology and Axiology. Scholars like Saunders et al (2012) have categorised these into three sectors namely: positivism, interpretivism and realism.

#### The epistemology

The study of Kura (2012) states that epistemology value is connected to depiction of acceptable knowledge in the area of study, which is what can be known to the world and how it can be, studied. For beter clarification interpretation is made through the influences of the mental process, while data collection in this process is more interactive and personal (Thomas, 2010).

Epistemology has positivism and interpretive as two contrasting knowledge positions. The positivist's approach to research preference here is for collected data to be of observable reality that can be examined for hidden irregularities and that will allow the researcher to create law-like generalisations like the ones formed by scientists (Bryman and Bell, 2011). In the words of Kura (2012), researchers on positivist approach take quantitative method towards research whereas interpretivism is linked with a qualitative research approach.

Albert Einstein once quoted "What counts can't always be counted and what can be counted does not always count" (cited in Turley, 2013). This quote gives a view on the meaning of the interpretivism approach.

#### **The Ontology**

Ontology on the other hand is connected with the nature of reality. The beliefs of the researcher here are being responded to by 'human interactions' and 'meaningful actions' while understanding that multiple realities exist due to differing human experiences (Thomas, 2010).

Separating from the ontology way of research philosophy, there are other science dimensions set out, the subjective and objective approach to research (Holden and Lynch, 2004).

Subjectivism is associated with the term constructionism, which represents involvement in the research outcome while objectivism reveals more of a distant approach while undertaking research.

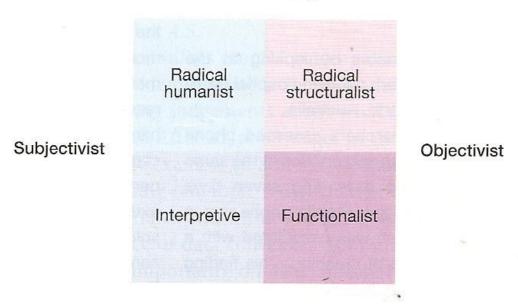
**The Axiology** values as reviewed by Saunders et al. (2012) studies the judgement about value. The choices you make as regards your philosophical approach and data collection methods reflect on your values. The axiology researcher's value is obviously presented as their ambitions are surrounded in the centre of their research decisions (Bryman and Bell, 2011).

In terms of this research, it would be adopts the mode of positivism, implementing a highly structured methodology to facilitate replication while utilizing the role of objectivism. (An unbiased interpretation of findings). Bearing in mind that this research is focusing on the retail sector, it would still be of some benefit to other sectors of business, since they all have customers and employees. In this research the theoretical perspective must not be left out, it must be established by studying the world and making logical sense of it (Crotty, 1998). As the research is progressed, the researcher also makes assumptions regarding the research; therefore there is a need for these human assumptions to be linked to philosophical choices that already pre-exist (Gray, 2014). In pursuit of this study, the philosophy is ontology, objectivism and deductive.

## **3.5. RESEARCH PARADIGM**

The research paradigm involves the collection of beliefs and principles that influence the research area, conduction of study and manner of evaluating outcomes (Cohen, Manion and Morrison, 2007). It is a further analysis of the meaning of the research philosophy. Saunders, et al., 2012 found four research paradigms; namely, functionalist, interpretive, radical humanist and radical structuralist. These four paradigms are connected to four (Figure 4) conceptual dimensions that recognise the researcher's research under 'science nature. (Ardalan, 2010; Saunders et al., 2012).

## Radical change



## Regulation

FIGURE 4 FOUR PARADIGMS FOR THE ANALYSIS OF SOCIAL THEORY

(Adapted from Burrell and Morgan, 1972, cited in Saunders. et al 2012, p112).

The functionalist paradigm believes that society is set from concrete existence whilst going with some order and being value free, so objectivism and the sociology of regulation is closely linked with this paradigm.

The interpretive paradigm looks at individuals as being creators of the world socially and also linked with the sociology of regulation and subjectivism. Being a 'contributor-in-action' is the best way an interpretist comprehends the world socially.

The radical humanist paradigm sees the reality of the world socially as being collectively created and sustained. It is also linked to the sociology of radical change and subjectivism.

A radical structuralist believes reality is concrete and objective. It has a close link to objectivism and the sociology of radical change. Intrinsic tensions and contradictions are the influences of radical change in the system socially (Ardalan, 2010; Hassard, 1991). This research study consists of the objectivist, positivist and radical structuralist research paradigms.

## 3.6. QUANTITATIVE AND QUALITATIVE APPROACH

According to Myers (2008), formerly, quantitative research approaches were established to study natural phenomena while qualitative research approaches were developed in the social sciences to enable researchers to study social and cultural phenomena. It is associated with the deductive approach.

Quantitative approach is concerned with measurement. Quantitative involves data collection that is typically numeric and it tends to apply mathematical models to analyse data.

It is used, for example, to measure the size of a market or segment, to validate a finding arising from another source, or to test a hypothesis. It usually involves obtaining data form a relatively large number of respondents who have been sampled in a rigorous manner. It involves collecting and analysing objective data which can be organised into statistics. The information with quantitative method is objective and controlled and also consists of structure. Quantitative method validity is low while reliability is very high. Quantitative research is regarded to be hard science (Berger and Luckmann, 1966; Bryman and Burgess, 1999; Tewksbury, 2009). Therefore, to ensure validity of the theories, controls are put in place. Quantitative method requires the movement from the general to the particular or starting with a theory or idea that when applied with the data either proves or disproves the notion (Holloway, 1997; Hussey & Hussey, 1997).

The intention of the qualitative approach is to gain greater insight and knowledge through perception illumination. It is associated with the inductive approach. The qualitative approach information is very subjective with a relatively unstructured research design, complex and broad. The qualitative approach theory is built from different explanations with regards to situations of the social world. After the analysis of data the researcher is able to initiate data collection methods by the information they have received from the emerging patterns between differing variables. This process allows for more generalisations and flexibility of theories and relationships to establish patterns, meanings and consistency. Qualitative approach validity is high while reliability is low due to constant changes of the multiple of realities with individual interpretations. In order to ensure reliability the researcher must conduct multiple observations (Gray, 2014; Saunders et al., 2012).

So, the researcher found that if a qualitative approach was to be taken, it would have to be in the form of individual interviews or focus groups and the following would have to be taken into consideration. During the interviews both phenomenological and moral approach is taken to learn of the in depth experiences, beliefs and perceptions of participants within the research area (Smith, Flowers, and Larkin, 2009

The suitability of the method to be used for the research project depends on the context, purpose and nature of the research area and in this case the researcher did not opt for the qualitative method. In this research the researcher uses a quantitative approach in order to analyse a large population of customer and employee participants.

# 3.7 DATA COLLECTION

There are two types of data collection namely: primary and secondary data.

# 3. 7.1 PRIMARY DATA APPROACH

Primary data is researchers own detailed information requirements gathered. It also gives specific insights into the area being investigated. This research study is to determine how core HR Practices in the retail sector in Ireland in service quality and the level of satisfaction and loyalty found in both employee and customers. Do they effectively help employees to gain skills and experience which will help them deliver quality of service and retain their customers? Primary data is useful to the current research and involved the researcher collecting data through communication or interaction with respondents and observation methods. In this situation, survey techniques are utilized to answer the research question, based on a structured questionnaire. According to Waters (2008) it overcomes biased and subjective opinions. This was an important factor since the study is not meant for a particular area only but in the whole Republic of Ireland. In the work of Bryman and Bell (2011), this method was a tool that assisted in confirming or proving false previous theories and findings by comparing with new data collected.

## 3.7.2. SECONDARY DATA APPROACH

The secondary data is gathered from other researchers. It is achieved through various sources such as articles, internet, databases and surveys. This thesis will explores more on published

books, reports, NCI's online databases, newspapers, published surveys and unpublished information.

The collection of secondary data helps us authenticate the information that we are using by establishing that it is up-to-date and also helps us establish several research objectives (Sekaran and Bougie, 2009). Again, it is also cheaper and time saving than primary data collection plus it is easily accessible.

In relation to this study, data collection is through survey techniques utilized to answer the research question, based on a structured questionnaire.

The respondents are customers who are visiting different stores at various times of the working day and employees working in different retail sectors. These researches have 146 and 147 surveyed, in total for both surveys.

The informatio collected was then transmitted to an excel sheet where it was analysed and coded before being transferred to the statistical program SPSS where more coding and matching was completed to determine whether the set objectives and hypothesis were met

# **3.8. RESEARCH DESIGN**

The study of Denscombe (2010) says that a good research design should be like a blueprint that the reader can use to follow and uncover the different linkages of all varying research activities being conducted.

Research design is a plan of how to go about answering specific research questions. It can be exploratory, descriptive and explanatory research (Saunders et al., 2012). Exploratory research is an effective way of finding and adding new insight into an area through review of assessment. It is useful when it comes to understanding the clarity of an issue and also in identifying whether or not a certain area of research is worth the research. Descriptive research manages to reveal the exact profiles of persons, events or situations and often acts as

sign between exploratory and explanatory research. It is necessary to have a clear picture of the phenomena on which you wish to collect data before commencing research in order for descriptive research to be effective. While formation of fundamental relations between variables is done by explanatory research (Saunders et al., 2012).

The definition by Saunders et al. (2012) of explanatory provides this research with direction in the sense that it seeks to study an impact, problem or a situation; in this case it is HR practices and service quality, in order to identify the link between variables, and in this case employees and customers will be tested.

Therefore, this study will be explanatory research. This study is based on the use of the survey method through the use of questionnaires to generate data. Survey is the method adopted by this research to gathered information or data from the population or from the sample drawn from the suitable population.

Results will be presented in two categories showing the respondents on Customer Satisfaction and Employee Satisfaction. Test for reliability will be used to analyse the data gathered from the respondents, it will show a scale's internal consistency by calculating Cronbach's alpha coefficient and the independent T. Test associate method will be used for analysis of data.

## **3.9 STUDY POPULATION**

Population of the study is defined as every conceivable element, subject or observation relating to a particular phenomenon of interest to the researcher. It can also be used to indicate the set of all value items and from which a sample would be taken. Surveys will be used.

In fact, surveys also prove popular in the sense that it allows the collection of a large amount of data, from a sizeable population in a highly economical way. When involving a large population in a research study, it is not possible to involve every member of the population in in-depth research (Quinlan, 2011). In terms of employee satisfaction and customer satisfaction, it is authoritative to obtain as large a sample as is possible in order to know the satisfaction of both customers and employees. In addition, the data collected using a survey procedure can be used to suggest possible links between variables and to produce models of these relationships' (Saunders et al., 2012).

In terms of time horizons over which this research takes place, two main choices were left open to the researcher. Saunders et al (2012) uses the analogy of whether or not the researcher wishes to use cross-sectional or whether alternatively the researcher wishes to use longitudinal.

As a result of time constraints, this research is cross-sectional. Surveys are commonly employed in carrying out this type of research which seeks to describe the incidence of a phenomenon (in this study employee satisfaction and customer satisfaction) in explaining the role of core HR practices in service quality in retail organisations. (Saunders et al.2012). Therefore, due to the larger population this study will adapt a sampling procedure.

# 3.10 SAMPLING PROCEDURE

This is the way in which the research instrument will be administered. The sample unit, sample procedure and sample size was specified. The sample unit is a firm within the retail industry. The sample size specifies the number of people to be surveyed within the firm. The sampling procedure specifies how the respondents were chosen; a random sampling technique will be employed in selecting the respondents. This is because the researcher wanted to be able to get answers to the research questions by every level in the organization.

## SAMPLING

According to William, sampling is the routine of selecting units (e.g. people, organisations) from a population of interest so that by studying the sample we may fairly generalize our results back to the population from which they were chosen. Sampling is done usually because it is impossible to test every single individual in the population. It is also done to save time, money and effort while conducting the research.

The researcher must keep in mind that the ideal scenario is to test all the individuals to obtain reliable, valid and accurate results. Since testing all the individuals is impossible, that is the only time we rely on sampling techniques. Sampling can be a random allocation of sampling, a selection of samples from the known population.

There are basically two types of sampling: probability and non-probability samples.

#### PROBABILITY SAMPLE

"A probability sample is one where each member of the universe has a known chance of being selected for inclusion in the survey, often referred to as a random sample" (Szwarc, 2005, p.113). In this sampling, every individual in the population has an equal chance of being selected as a subject for the research. This method guarantees that the selection process is completely randomized and without bias. It can also be used to estimate the population parameters since it is representative of the entire population. It is also a reliable method to eliminate sampling bias (Explorable, 2009).

#### NON PROBABILITY SAMPLE.

A non-probability sample is often referred to as non- random sampling according to Cook (2004, p.25), who states "because it is non-random, it certainly introduces bias. Drawing conclusions about the population based on information derived from a non-random sample might be difficult, as samples are often unrepresentative of the population". "It is best to work from sample size of at least 80-150 respondents (less than this and your data are not statistically valid)" (Cook 2004 Pg.25.). In this type of sampling, members of the population do not have an equal chance of being selected. Due to this, it is not safe to assume that the sample fully represents the target population. It is also possible that the researcher deliberately chose the individuals that will participate in the study.

## **3.11 RESEARCH INSTRUMENT**

Questionnaires and scales are very precise data/research collection instruments. Questionnaires allow access to and engagement of large populations (Quinlan, 2011).

A questionnaire can be defined as including all data collection techniques in which each person is asked to respond to the same set of questions in a predetermined order. Saunders et al., (2012) using a survey model should give you more control over the research process and, when sampling is used, it is possible to generate findings that are representative of the whole population at a lower cost than collecting data for the whole population.

The questionnaire was also used to measure the behaviour, attitude and respondent characteristics. Questionnaire administration is a remarkable and versatile method of gathering information about a wide variety of topics. As a result of this, standard questions

were administered in the same manner to all correspondents. The questions were wellstructured questions to ensure that responses were not influenced or led to suspect answers. The questions were mainly multiple-choice questions and open-ended questions to some extent in order to elicit a freer response. In addition to this, all questions were phrased in simple language, to be easily understood and interpreted by the respondents. The purpose of this questionnaire is to determine the links between employees, service quality and customers in the retail industry in Ireland and impact of HR practices. The questionnaire was used to collect information from customers and employees online.

# **3.12 ONLINE SURVEY METHOD**

An online survey seems to be quick and cheaper because everyone is more technology tuned. So, the cost of printing, posting, tracking, handling and data entry are removed (McDonald and Adam, 2003). An online survey has many advantages including high representation levels and of good statistical importance. A researcher's bias view is removed due to high reliability percentage received. Again, the rigid design of surveys is considered as a disadvantage but it can also be seen as an advantage as the researcher is seeking to remain consistent and precise through data collection.

A cover note stating the purpose of the survey accompanied the online questionnaires. This was to help remove any fear from respondents in giving information and reassuring them that it was for study purposes. The statement the researcher placed in the cover letter set the tone of the questionnaire.

In undertaking this research, the survey questionnaires took a deductive approach as earlier stated. The data collection method distributed online was created through Lime Survey which offered a free service with unlimited questions. This online tool allowed for data collection through email, social media and web-links. The survey was mostly distributed on Facebook, LinkedIn and group social network sites that are mostly for employees and customers. The survey was also forwarded by email to employees, employers and HR Managers.

It is often difficult to motivate participants to undertake a survey, but the need to re-motivate people to start responding is needed. The survey was published on the 24th July 2015 and closed on the September 2015. There are two surveys; the questionnaire was comprised of 21 /32 questionnaires which approximately took between 2 - 3 minutes to complete. The

questions were rating questions which enabled participants to tick the box that matched their view most closely, i.e. from strongly disagree to strongly agree.

This study relies on Independent Samples t-Test Association following the online survey, which was conducted by the researcher on SPSS program in order to test variables of interest.

## CHAPTER 4

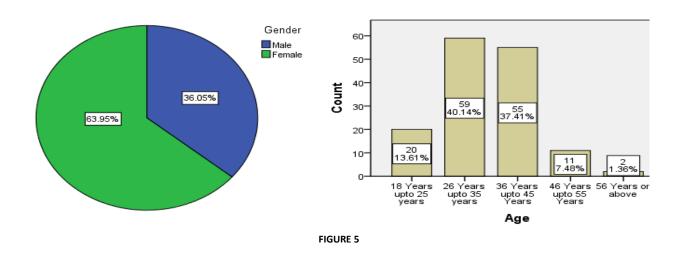
# 4. RESEARCH FINDINGS AND DISCUSSIONS

## 4.1. INTRODUCTION

This chapter presents the analysis, interpretation and presentation of data collected on the two surveys and examines the link between core HR practices, service quality and employee and customer satisfaction in retail outlets in the Republic of Ireland. This chapter reveals the response of over140 respondents considered for this study, which consist of male and female respondents of the total questionnaire administered. A presentation of the results collected during the online survey distribution process was transmitted to an excel sheet where it was analysed and coded before being transferred to the statistical program SPSS where more coding and matching was completed to determine whether the set objectives and hypothesis were met. The researcher will present the statistics findings and results using T-test Associate method of analysis where presentation of the characteristics of each of the variables and results are presented.

# 4.2 RESPONSE RATE ANALYSIS

The survey questionnaires developed were taken by customers and employees. They were used as a source of primary data collection. The response rate was 100% as over 140 individuals participated in responding to the survey. The researcher has 7 hypotheses developed necessary for this research study. The information gathered from the two surveys will be illustrated in the form of a histogram, pie chart and table including a percentage breakdown of the responses that is used to test the hypothesis. First the researcher will show the customer data, followed by employee data with a brief discussion.



## **Customer satisfaction Demographics of Respondents**

#### FIGURE 5 DEMOGRAPHICS OF RESPONDENTS

The **Figure**5 depicts the demographics of the respondents. In terms of respondents to gender, out of 146 respondents, 53(36.05%) males and 93 (63.95%) females participated in the research exercise. According to age 20(13.61%) of the respondents are within the age range 18- 25 years, 59(40.14%) are within the age range 26 -35 years, 55(37.41%) are within the age range 36-45 years, 13(8.84%) are within the age range 46-55 and above.

#### EMPLOYEE SATISFACTION DEMOGRAPHICS OF RESPONDENTS

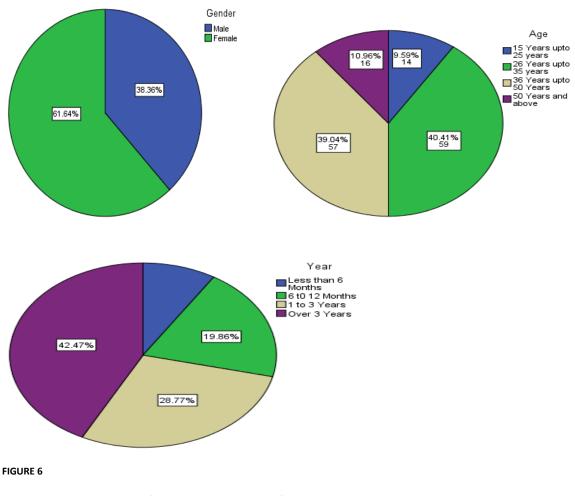


Figure 6: Employee satisfaction demographics of Respondent

## Figure 6 Employees demographics of Respondents

**Figure 6** depicts the demographics of the respondents. In terms of respondents according to gender, out of 146 respondents, 56 (38.36%) males and 90 (61.64%) females participated in the research exercise. According to age, 14(9.59%) of the respondents are within the age range 15- 25 years, 59(40.41%) are within the age range 26 -35 years, 57(39.04%) are within the age range 36-50years, 16(10.96%) are within the age range 50 and above.

H1 Service quality have impact on customer satisfaction

The overall quality of service provided by the organization to customers is excellent		Percent	Valid Percent	Cumulative Percent
Valid Disagree	1	.7	.7	.7
Neutral	37	25.3	25.3	26.0
Agree	76	52.1	52.1	78.1
Strongly Agree	32	21.9	21.9	100.0
Total	146	100.0	100.0	
TABLE 2				

TABLE2 PERCENTAGE RESPONDENTS: THE OVERALL QUALITY OF SERVICE PROVIDED BY THE ORGANIZATION TO CUSTOMERS IS EXCELLENT.

21.3% of employee Strongly Agree the overall quality of service provided by the organization to customers is excellent 52.1% Agree, and 25.3% are Neutral while 0.7% Disagree. The shows that the service quality has have a great impact on customers' satisfaction.

H2 Customer satisfaction has impact on customer loyalty

l will re people	ecommend this store to other	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	4	2.7	2.7	2.7
	Neither Disagree nor Agree	30	20.4	20.4	23.1
	Agree	90	61.2	61.2	84.4
	Strongly Agree	23	15.6	15.6	100.0
	Total	147	100.0	100.0	

TABLE 3

# TABLE 3 PERCENTAGES OF RESPONDENTS OVERALL, I WILL RECOMMENDTHIS STORE TO OTHER PEOPLE

16.6 % of customers Strongly Agree I will recommend this store to other people 61.2% of customers Agree, and 20.4% Neither agree nor disagree% while 2.7% Disagree and 0.0 % strongly Disagree. This shows when customers are happy; they give their loyalty and recommend others to that particular store. Customers' satisfaction has impact on customer loyalty.

H3 : HR practice have impact on employee satisfaction TABLE 4

Appraisal and Reward employee Performance M workplace	Ianagement in retail	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.7	.7	.7
	Disagree	3	2.1	2.1	2.7
	Neutral	24	16.4	16.4	19.2
	Agree	92	63.0	63.0	82.2
	Strongly Agree	26	17.8	17.8	100.0
	Total	146	100.0	100.0	

TABLE 4 PERCENTAGES OF RESPONDENTS: APPRAISAL AND REWARD ARE ASPECTS OF PERFORMANCE MANAGEMENT IN MY WORKPLACE.

17.8 % of employee Strongly Agree Appraisal and Reward are aspects of Performance Management in my workplace 63.0% of employee Agree, and 16.4% said they are Neutral while 2.1 % employee said they Disagree or strongly Disagree. This shows that Core HR practices have significant impact on employees' satisfaction for their loyalty.

and system	ng, development promotion s exist within anisation.		Percent	Valid Percent	Cumulative Percent
Valid	Disagree	5	3.4	3.4	3.4
	Neutral	21	14.4	14.4	17.8
	Agree	93	63.7	63.7	81.5
	Strongly Agree	27	18.5	18.5	100.0
	Total	146	100.0	100.0	

TABLE 5

TABLE 5 PERCENTAGES OF RESPONDENTS ON TRAINING, DEVELOPMENT AND PROMOTION SYSTEMSEXIST WITHIN THE ORGANISATION.

18.5 % of employees Strongly Agree that training, development and promotion systems exist within the organisation, 63.7% of employees Agree, and 14.4% said they are Neutral while 3.4% employees said they Disagree.

Employees receive				
recognition and rewards				
for the delivery of				
superior work and				Quere la titua
				Cumulative
service quality.	Frequency	Percent	Valid Percent	Percent
Valid Neutral	44	30.1	30.1	30.1
Agree	75	51.4	51.4	81.5
Strongly Agree	27	18.5	18.5	100.0
Total	146	100.0	100.0	

TABLE 6

TABLE 6 PERCENTAGE OF RESPONDENTS ON EMPLOYEES RECEIVE RECOGNITION AND REWARDS FOR THE DELIVERY OF SUPERIOR WORK AND SERVICE QUALITY.

18.5 % of employees Strongly Agree that employees receive recognition and rewards for the delivery of superior work, 51.4% of employees Agree, and 30.1% said they are Neutral while no employee said they Disagree or Strongly Disagree.

Employees a					
other resour	rces to support the delivery of quality			Valid	Cumulative
work and service to customer		Frequency	Percent		Percent
Valid	Strongly Disagree	1	.7	.7	.7
	Disagree	1	.7	.7	1.4
	Neutral	38	26.0	26.0	27.4
	Agree	71	48.6	48.6	76.0
	Strongly Agree	35	24.0	24.0	100.0
	Total	146	100.0	100.0	

TABLE 7

**TABLE 7 PERCENTAGES OF RESPONDENTS:** EMPLOYEES ARE PROVIDED WITH TOOLS, TECHNOLOGY, AND OTHER RESOURCES TO SUPPORT THE DELIVERY OF QUALITY WORK AND SERVICE TO CUSTOMERS.

**Table 7** shows 24.0 % of customers Strongly Agree Employees are provided with tools, technology, and other resources to support the delivery of quality work and service, 48.6% of

customers Agree, and 26.0% said they are Neutral while 0.7% customers said they Disagree and 0.7 % strongly Disagree.

I can continue working for very long periods at a time			Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.7	.7	.7
	Disagree	20	13.7	13.7	14.4
	Neutral	52	35.6	35.6	50.0
	Agree	58	39.7	39.7	89.7
	Strongly Agree	15	10.3	10.3	100.0
	Total	146	100.0	100.0	

H4 Employee satisfaction has positive impact on employee loyalty

TABLE 8

 TABLE 8: PERCENTAGE OF RESPONDENTS: I CAN CONTINUE WORKING FOR VERY LONG PERIODS

 AT A TIME.

10.3 % of Employee Strongly Agree I can continue working for very long periods at a time 39.7% of employee Agree, and 35.6% said they are Neutral while 13.7% employee said they Disagree and 0.7% strongly disagree. This shows when employees are happy and feel satisfy, they will give their loyalty by continue working for long period.

The price of my purchases are reliable and reasonable		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.7	.7	.7
	Disagree	2	1.4	1.4	2.0
	Neither Disagree nor Agree	44	29.9	29.9	32.0
	Agree	72	49.0	49.0	81.0
	Strongly Agree	28	19.0	19.0	100.0
	Total	147	100.0	100.0	

TABLE 9

TABLE 9: PERCENTAGE OF RESPONDENTS: THE PRICE OF MY PURCHASES IS RELIABLE AND REASONABLE.

19.0 % of customers Strongly Agree the price of my purchases are reliable and reasonable 49.0% of customers Agree, and 29.9% Neither Disagree nor Agree while 1.4% customers Disagree and 0.7% strongly disagree. This shows that price of the purchase also determine customer satisfaction and loyalty.

# 4.3 RESULTS AND ANALYSIS

The importance of data analysis cannot be over –emphasized when conducting research, since this could have a negative or positive impact depending on the process implemented.

In this section we will present the results of the analysis of single satisfaction scale across two groups, customers and employees; in particular we report differences across both scales mainly grouped on gender and in a single instance grouped across age categories.

We first present the results associated with both reliability scales.

# 4.4 SCALE RELIABILITY RESULTS – CUSTOMER SATISFACTION

**Table 10 and 11** show the results of a reliability analysis for the Customer Satisfaction Scale, the above scale show 146 valid responses across 21 items that contributed to the overall Customer Satisfaction Scale. Table 10 presented a Cronbach reliability value of .854 which shows that the survey can be considered to be reliable for this sample.

Case	Processing	Summary
------	------------	---------

		Ν	%
Cases	Valid	147	99.3
	Excluded <sup>a</sup>	0	.0
	Total	147	100.0

a. Listwise deletion based on all variables in the procedure.

#### TABLE 10

 TABLE 10: CASE SUMMARY FOR CUSTOMER SATISFACTION SCALE

#### **Reliability Statistics**

Cronbach's Alpha	N of Items
.853	21

TABLE 11

#### TABLE 11: RELIABILITY RESULT FOR CUSTOMER SATISFACTION SCALE

# 4.5 Scale Reliability Results – Employee Satisfaction

**Table 12 and 13** show the results of Reliability test of employee Satisfaction, the scale show 146 valid responses across 32 items that contributed to the overall Employee Satisfaction scale. **Table 13** presented a Cronbach reliability value of .880 which shows that the survey is considered reliable.

#### TABLE 12

## **Case Processing Summary**

		Ν	%
Cases	Valid	146	100.0
	Excluded <sup>a</sup>	0	.0
	Total	146	100.0

Listwise deletion based on all variables in the procedure.

Table 12: Case Summary for employee Satisfaction Scale

#### TABLE 13

Reliability Statistics			
Cronbach's Alpha	N of Items		
.880	32		

#### TABLE 13

#### TABLE 13: RELIABILITY RESULT FOR EMPLOYEE SATISFACTION SCALE

# 4.6 HYPOTHESIS TEST USING T-TEST ASSOCIATION.

**H5.** There are differences in the satisfaction of customers based on gender.

# Reporting the Results for T-Test Association between Variables of Interest Gender vs. SatisfactionCompositeScore (Explore Gender Differences on Customer Satisfaction)

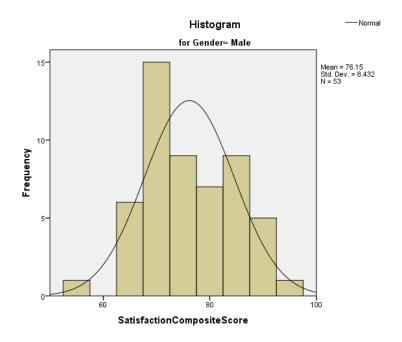
This study considered overall total of 147 participate in survey, of which 53 Male and 94 were Female but only 146 participants. A case summary is presented in **Table 14**. Histograms of the distribution of customer satisfaction by both male and female participates are shown in **Figures 7 and 8** below respectively. In both cases the horizontal axis represents the number of SatisfactionCompositeScore by participate with the vertical axis representing the frequencies scores of participate that took Satisfaction Composite Score. For example, Figure 7 below indicates number of males in the study. (N= 53, M = 76.15, Std. Dev= 8.432).

#### TABLE 14

#### **Case Processing Summary**

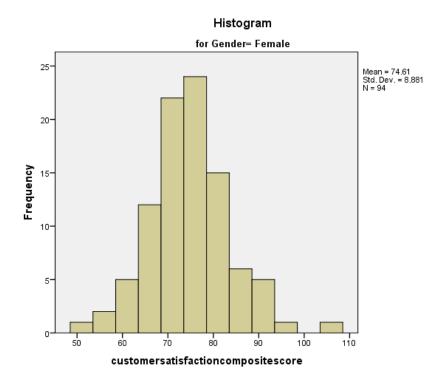
		Cases					
		Valid		Missing		Total	
	Gender	Ν	Percent	N	Percent	N	Percent
SatisfactionComposite	Male	53	100.0%	0	0.0%	53	100.0%
Score	Female	94	100%	8	0.0%	94	100.0%

TABLE 14 GENDER CASE PROCESSING SUMMARY.











#### FIGURE 8: SATISFACTION COMPOSITESCORE FEMALE DISTRIBUTION

This is an essential part of data analysis. It is a pictorial way of representing frequency scores. In the histogram the heights of the bars indicate the relative frequencies of scores. Figure 7 and figure 8 shows the frequency of the genders as well as the percentage of the frequency for each value. So **Table 14** shows all associated descriptive Statistics, for both the male and female distribution.

#### TABLE 15

Descriptive Statistics table.

**Descriptive Statistics** 

	Ν	Minimum	Maximum	Mean	Std. Deviation
Gender	147	1	2	1.64	.482
Valid N (listwise)	146				

TABLE 15 GENDER SATISFACTIONCOMPOSITESCORE DESCRIPTIVE STATISTICS SUMMARY

**Table 15** summaries the output from the variable satisfactionCompositescore and Gender. The list of gender and valid statistic are presented in the first row. 147 Gender participate with Means = 1.64 and Std. Dev = .482.

## Descriptives

TABLE 16

	Gender		Statistic	Std. Error
SatisfactionCompositeScore	Male	Mean	76.15	1.158
		95% Confidence Interval for Lower Bound	73.83	
		Mean Upper Bound	78.47	
		5% Trimmed Mean	76.11	
		Median	74.00	
		Variance	71.092	
		Std. Deviation	8.432	
		Minimum	55	
		Maximum	93	
		Range	38	
		Interquartile Range	14	
		Skewness	.106	.327
		Kurtosis	658	.644

Female	Mean	74.61	.916
	95% Confidence Interval for Lower Bound	72.79	
	Mean Upper Bound	76.43	
	5% Trimmed Mean	74.55	
	Median	74.00	
	Variance	78.865	
	Std. Deviation	8.881	
	Minimum	51	
	Maximum	105	
	Range	54	
	Interquartile Range	12	
	Skewness	.236	.249
	Kurtosis	.939	.493

TABLE 16: SATISFACTION COMPOSITESCORE DESCRIPTIVE STATISTICS.

**Table 16** describes the means difference between Male and Female. Table 15 shows MeanSatisfactionCompositeScore of Male = 76.15 and SatisfactionCompositeScore Female Mean=74.61. So there is no difference in the mean test of male compare to female.

## TESTS OF NORMALITY

The results of tests of normality are presented in Table 17. We depend on the results of the Shapiro-Wilk's test of normality for working out the presence or absence of normality in both the male and female sample distributions. The null hypothesis associated with the Shapiro-Wilk's test of normality assumes equal normality of the sample under consideration. In both cases our results indicate significant normality (W male= .957, df=53, p<.053), (W female= .985, df=94, p<.338). It shows true significance.

#### TABLE 17

#### **Tests of Normality**

		Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk			
		Statis						
	Gender	tic	df	Sig.	Statistic	df	Sig.	
SatisfactionComposite	Male	.136	53	.015	.957	53	.053	
Score	Female	.065	94	.200	.985	94	.338	

\*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

## TABLE 17: SATISFACTIONCOMPOSITESCORE NORMALITY RESULT.

## INDEPENDENT SAMPLES TEST (T-TEST)

An independent T-test was relied upon to test if there is significant difference between the SatisfactionCompositeScore taken by males compared to their female participants in mean ranks of both groups. The null hypothesis associated with the T- test, indicate no difference between mean ranks because the p. value is not less than 0.05. The results are shown in **Table 18 and 19**. T-test indicate no significant differences between the level

Table 18 shows SatisfactionCompositeScore taken by males 76.15% with the Std. 8.432 compared to females

SatisfactionCompositeScore of 74.61% with Std. 8.928), P. Value = .605.

TABLE 18

**Group Statistics** 

	Gender	Ν	Mean	Std. Deviation	Std. Error Mean
SatisfactionCompositeScore	Male	53	76.15	8.432	1.158
	Female	93	74.61	8.881	.916

TABLE 18 GROUP STATISTICS T-TEST

		Levene's	Test							
		for Equal	ity of							
		Variances		t-test f	or Equality	of Mea	ins			
									95%	
									Confide	ence
						Sig.			Interva	I of the
						(2-	Mean	Std. Error	Differe	nce
		F	Sig.	t	df	tailed)	Difference	Difference	Lower	Upper
SatisfactionCompositeScore	Equal									
	variances	.273	.602	1.031	146	.304	1.545	1.498	- 1.417	4.506
	assumed								1.417	
	Equal	1								
	variances			1 0 4 0	440 700	200		4 477	-	4 470
	not			1.046	112.733	.298	1.545	1.477	1.381	4.470
	assumed									

## Table 19 Independent Samples Test (T-test

**Table 19** shows the Levene's Test for Equality of Variances, so in this study, the test tells us that variances are equal because the P. value output is .602 is not statistically significate. So in this study will use the first row because the significance of Levene's test is greater than .05. In order to ascertain if there exists any significant difference between the Male and Female respondent's satisfaction levels an Independent Samples t-Test was conducted. The results of this test of difference are shown in Tables 6 and 7. The results would indicate that there does not exist a significant difference in customer satisfaction of Males (M = 76.15, SD = 8.43) compared to Females (M = 74.61, SD = 8.88), t (145) = -1.03, two-tailed p = .304. But to obtain the one- tailed level, 304 / 2 = .152.

## 4.7 EMPLOYEE SATISFACTION ANALYSIS RESULT.

H6. There are differences in the satisfaction of employees based on gender.

Reporting the Results for T-Test Association between Variables of Interest Gender vs. SatisfactionCompositeScore (Explore Gender Differences on Employee Satisfaction.

#### TABLE 20

**Case Processing Summary** 

		Cases	Cases					
		Valid		Missing		Total		
	Gender	Ν	Percent	Ν	Percent	Ν	Percent	
EmployeeStatisfaction	Male	56	100.0%	0	0.0%	56	100.0%	
	Female	90	100.0%	0	0.0%	90	100.0%	

TABLE 20 EMPLOYEE GENDER CASE PROCESSING SUMMARY

The total Gender participants on Employee satisfaction survey are 146 of which 56 were male and 90 were female. 146 participants are valid for none is missing.

Histograms of the distribution of employee satisfaction by both male and female customers are shown in Figures 9 and 10 below respectively. In both cases the horizontal axis represents the number of Employee Satisfaction Score by respondents with the vertical axis depicting the number of respondent that took that Employee Composite Score. For example, Figure 9 below indicates that of the 56 male's response to the study on Satisfaction Composite Score.

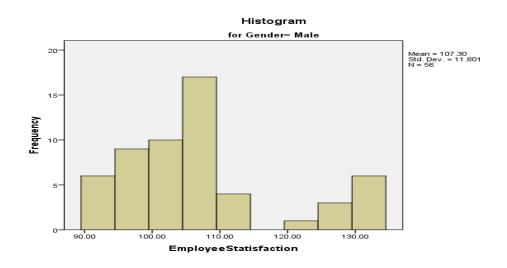


FIGURE 9

Figure 9: Employeesatisfaction Male Distribution score

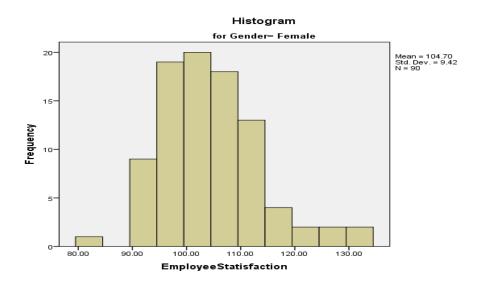


FIGURE 10

#### FIGURE 10: EMPLOYEE SATISFACTION FEMALE DISTRIBUTION SCORE

This is an essential part of data analysis. It is a pictorial way of representing frequencies scores. In the histogram the heights of the bars indicate the relative frequencies of scores. Figure 9 and figure 10 shows the frequency of the genders as well as the percentage of the frequency for each value. So **Table 21** shows all associated descriptive Statistics, for both the male and female employees for each of the variables.

## TABLE 21

## Descriptives

	Gender		Statistic	Std. Error
EmployeeStatisfaction	Male	Mean	107.3036	1.57701
		95% Confidence Interval Lower Bound	104.1432	
		for Mean Upper Bound	110.4640	
		5% Trimmed Mean	106.7817	
		Median	105.5000	
		Variance	139.270	
		Std. Deviation	11.80126	
		Minimum	92.00	
		Maximum	132.00	
		Range	40.00	
		Interquartile Range	10.75	
		Skewness	.959	.319
		Kurtosis	026	.628
	Female	Mean	104.7000	.99291
		95% Confidence Interval Lower Bound	102.7271	
		for Mean Upper Bound	106.6729	
		5% Trimmed Mean	104.1605	
		Median	103.0000	
		Variance	88.729	
		Std. Deviation	9.41962	
		Minimum	82.00	
		Maximum	132.00	
		Range	50.00	
		Interquartile Range	12.25	
		Skewness	.780	.254
		Kurtosis	.909	.503

TABLE 21 Gender descriptive Statistics on EmployeeStatisfaction

Table 21 describes the mean difference between Male and Female. Also shows Mean EmployeeStatisfaction Score of Male = 107.3036 and EmployeeStatisfaction Score Female Mean= 104.7000. So there is no difference in the mean test of male compare to female.

#### TABLE 22

## TESTS OF NORMALITY

		Kolmogoro	v-Smirnov <sup>a</sup>		Shapiro-Wil	ilk		
	Gender	Statistic	df	Sig.	Statistic	df	Sig.	
EmployeeStatisfaction	Male	.193	56	.000	.869	56	.000	
	Female	.087	90	.087	.952	90	.002	

Lilliefors Significance Correction

## TABLE 22 T-TEST FOR NORMALITY SCALE

The results of tests of normality are presented in **Table 22.** The Shapiro-Wilk's test of normality is used for working out the presence or absence of normality in both the male and female sample distributions. The null hypothesis associated with the Shapiro-Wilk's test of normality assumes equal normality of the sample under consideration. In both cases our results indicate significant normality (W male= .869, df=56, p<.000), (W female= .952, df=90, p<.002). So in order to ascertain if there exists any significant difference between Male Participates on Employee satisfaction score compared to Female counterparts an Independent Samples t-Test was conducted. The results of this test of difference are shown in Tables 14and 15 below.

## INDEPENDENT SAMPLES TEST. (T-TEST)

#### TABLE 23

**Group Statistics** 

	Gender	Ν	Mean	Std. Deviation	Std. Error Mean
EmployeeStatisfaction	Male	56	107.3036	11.80126	1.57701
	Female	90	104.7000	9.41962	.99291

## Table 23 T-TEST GROUP STATISTICS

**Table 23** shows each group number of cases, the mean and the standard deviation. The mean for the Gender obviously shows difference, the output of **table 23** will use to ascertain the significance.

#### TABLE 24

#### **Independent Samples Test**

		Levene' for Equa Variance	ality of	t-test f	or Equali	ity of Mea	ans			
						Sig. (2-	Mean	Std. Error	95% C Interval Difference	confidence of the
		F	Sig.	t	df	tailed)	Difference	Difference	Lower	Upper
EmployeeStatisfaction	Equal variances assumed	1.866	.174	1.472	144	.143	2.60357	1.76905	89308	6.10022
	Equal variances not assumed			1.397	97.756	.166	2.60357	1.86356	-1.09471	6.30185

## Table 24 INDEPENDENT SAMPLES TEST

**Table 24** the value of T is simply the mean difference (2.60357) divided by the Standard Error of the Difference (1.76905) which gives the value of (1.472).

Levene's Test for Equality of Variances in this study shows P. value = .174. So in this study will use the first because the significance of Levene's test is greater than .05.

In the case of Employee Satisfaction .P = .174 with the equal variances, t = 1.472 with 144 degrees of freedom is significant at .143 for the two- tailed level. But to obtain the one- tailed level, it will be divided by 2 which give. 0.072, rounded to three decimal places.

# 4.8 CUSTOMER SATISFACTION AND EMPLOYEE SATISFACTION DIFFERENCES

In this section we present the results of an analysis of the difference between Customer Satisfaction and Employee Satisfaction in which 1= Customer satisfaction scores and 2= Employee satisfaction scores

H7. There are differences between satisfaction levels of employees compared to customers.

The descriptive statistics describes the means difference between Customer and employee. Table 26 shows Mean CustomerEmployee Score of customer = 75.16 and CustomerEmployee Score of Employee Mean= 105.7 so there is difference in the mean test of customers compared to employees.

TABLE 25

## **Case Processing Summary**

		Cases	Cases						
		Valid		Missing		Total			
	CustomerEmployee	Ν	Percent	Ν	Percent	Ν	Percent		
Satisfaction	1	147	100%	0	0.0%	147	100.0%		
	2	146	100.0%	0	0.0%	146	100.0%		

 TABLE 25 Case Processing Summary of CustomerEmployee

#### TABLE 26

		Descriptives		
	Custor	nerEmployee	Statistic	Std. Error
Satisfaction	1	Mean	75.16	.720
		95% Confidence Interval for Lower Bound	73.74	
		Mean Upper Bound	76.59	
		5% Trimmed Mean	75.18	
		Median	74.00	
		Variance	76.110	
		Std. Deviation	8.724	
		Minimum	51	
		Maximum	105	
		Range	54	
		Interquartile Range	11	
		Skewness	.178	.200
		Kurtosis	.409	.397
	2	Mean	105.70	.864
		95% Confidence Interval for Lower Bound	103.99	
		Mean Upper Bound	107.41	

5% Trimmed Mean	105.11	
Median	104.00	
Variance	108.902	
Std. Deviation	10.436	
Minimum	82	
Maximum	132	
Range	50	
Interquartile Range	12	
Skewness	.945	.201
Kurtosis	.641	.399

## TABLE 26 Gender descriptive Statistics on CustomerEmployee Satisfaction

The results of tests of normality are presented in Table 27. We depend on the results of the Shapiro-Wilk's test of normality for working out the presence or absence of normality in both the Customer and Employee Scores. The null hypothesis associated with the Shapiro-Wilk's test of normality assumes equal normality of the sample under consideration. In both cases our results indicate significant normality (W Customer = .986, df= 147, p<.146), (W Employee= .917, df=146, p<.000). It shows Statistically Significant.

#### TABLE 27

## TESTS OF NORMALITY

		Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk			
	CustomerEmployee	Statistic	df	Sig.	Statistic	df	Sig.	
Satisfaction	1	.077	147	.033	.986	147	.146	
	2	.122	146	.000	.917	146	.000	

a. TABLE 27 Test for Normality scale Lilliefors Significance Correction

## INDEPENDENT SAMPLES TEST (T-TEST)

## **Group Statistics**

### TABLE 28

	CustomerEmployee	Ν	Mean	Std. Deviation	Std. Error Mean
Satisfaction	1	147	75.16	8.724	.720
	2	146	105.70	10.436	.864

# TABLE 28 T-test Group Statistics

This **Table** 28 shows for each group the number of cases, the mean and the standard deviation. The mean for Customer Satisfaction is 75.16 and Employee Satisfaction is 105.70.

### TABLE 29

## Independent Samples Test

	Levene's									
		for Equality of								
Variances		t-test for Equality of Means								
								Std.		
						Sig.	Mean	Error	95% C	Confidence
						(2-	Differenc	Differe	Interval	of the
					df	tailed)	е	nce	Difference	•
		F	Sig.	t					Lower	Upper
Satisfaction	Equal variances assumed	1.825	.178	-27.180	291	.000	-30.535	1.123	-32.746	-28.324
	Equal variances not assumed			-27.164	281.472	.000	-30.535	1.124	-32.748	-28.323

# Table 29 INDEPENDENT SAMPLES TEST

An independent samples t-test was relied upon to find out if the two means differ significantly. We report that the mean Satisfaction Scores of Employees (M=105.70, SD= 10.436) is significantly higher than that of Customer Satisfaction Scores (M = 75.16, SD =

8.724), t (291) = -27.16, two-tailed p < .000, so the difference between Satisfaction Score of Employees and Customers being on the order of 30 scale points.

# CHAPTER 5 SUMMARY AND CONCLUSION

## 5.1. SUMMARY OF FINDINGS.

The study relied on primary data collected, using Statistical Packages for Social Sciences (SPSS) to generate frequencies, percentages, and contingencies (cross tabulation). The data collected from the questionnaires were analysed descriptively. The descriptive analysis involved tabulations in percentages, and use of appropriate statistical analysis, while responses to the surveys were analysed to form part of the findings.

The findings of the study were reported using the T- test Associate tables, for customer satisfaction and employee satisfaction, also the difference between the two surveys (customer satisfaction and employee satisfaction). This study customer satisfaction group statistics mean score on SatisfactionCompositeScore on males in Table 18 reports the difference between the mean SatisfactionCompositeScore of males versus females using the output under the heading "t-Test for Equality of Means" This study consider the information on the first row due to the Levene's test is above 0.05 so the null hypothesis will not be overlooked. between So is significance different the male female there no and SatisfactionCompositeScore.

The mean SatisfactionCompositeScore of females in Group statistics were determined.

T- Test was used by first checking Levene's test for equality. This study shows the information on the first row due to Levene's test on customer Satisfaction is .602 which means equal variances. In the case of Employee Satisfaction Levene's test is .174 with the equal variances as well. So this study shows no significant difference between Male and Female. Equally of the difference between employees' satisfaction and customers' satisfaction, from the finding this is no significate difference between the two.

The findings focus on the importance of understanding and managing customer satisfaction and employee satisfaction in the context of loyalty development. This research emphasises some core HR practices in term of developing and managing employee and customer loyalty by appropriately rewarding employees for service quality work.

Again, HR practices play an important role on employees but no direct significant impact on customers but the finding from respondents shows that the reliability of the price of purchases are the significant predictors of overall customer satisfaction and loyalty, which means the higher the price the lower customer satisfaction and loyalty and the lower the price the higher customer loyalty and satisfaction.

The findings reveal the need to acknowledge the importance of employees and customers This study shows Statistically Significant between customer satisfaction and employee satisfaction level but means difference. It means a lot of work but retail management needs to work more toward error-free commented transactions with service quality and right transactions from the first time. By this way managers will be able to achieve maximum customer satisfaction in the retail outlets and also retain their hard working employees. Retail sectors should deliver maximum for achieving the maximum employee and customer satisfaction levels with great service quality and HR practices. It means the retail industry needs to handle the issue regarding employee happiness as well as provide the immediate solutions for customer problems to achieve the maximum customer satisfaction level.

## **5.2 CONCLUSION**

In this research, we have attempted to examine some core HR practices in the retail sector in Ireland and their role in service quality and the level of satisfaction and loyalty found in both employee and customers in selected retail outlets in the Republic of Ireland. Based on the findings of this study, the study concludes that HR practices have a major impact on both customers and employees. Employees are the first point of contact for a customer so they need to feel appreciated as customer satisfaction is the basis on which any company operates and makes a profit. Service quality creates customer satisfaction, and the customers define quality. Customer satisfaction surveys and employee satisfaction survey reviews have to take place on a continuous basis, and the results have to be put into practice in the company's strategies and operations. Over all the results of customer satisfaction and employee satisfaction were very positive and from this study it would be good to monitor this regularly. The result of the study reveals that service quality and customer value are correlated with each other. It can be seen that friendliness and professional interaction has a great impact on

customer value; so would be reliability, The retail chain store manager could raise great value through, core HR practices and quality service which in turn strengthens the customer's value. Indeed, increasing service quality will yield the biggest benefits on customer value.

## 5.3 IMPLICATIONS OF THE RESEARCH

This research implies overall HR strategy is an important part of service quality, customer satisfaction and employee satisfaction. Furthermore, customer satisfaction is an essential requirement for the survival and growth of any business. So management need to take care to deliver better service quality to attain maximum customer satisfaction. HR practises and reliability and employee loyalty play an important role on the overall perceived service quality. So the managers should stress these practices to deliver a better service quality. As stated in the review HR practices have a positive impact on employees while perceived service quality has a significant influence on customer satisfaction.

This study would contribute in identifying an framework to understand the importance of service quality, employee satisfaction and customer satisfaction to the ongoing development of research leading to effective growth in the of retail industry Hence the retail sectors needs consider these HR practices carefully and develop their strategies for delivering in the market by understanding these strategies for attaining the maximum customer satisfaction level through employee's relation with them.

Here in delivering the maximum customer satisfaction level, employee satisfaction is the key to customer happiness for satisfactions is fundamental to the individual wellbeing.

Based on the theories and studies about employee satisfaction, service quality and customer satisfaction, it is clear that providing just a basic service is not enough to compete with competitors. Customers would like to have personal contact with a sales person and many times in most stores customers and staff get to know each other better and know, for example, each other's names and some other personal details for service quality has an effect on customer value.

# 5.4 LIMITATIONS OF THE RESEARCH

The researcher will be faced with unwillingness of customers and employees to participate in the process. Time allocated to the research and availability of time from the customers and employee willing to participate in the survey. It is therefore difficult to conclude that the sample results of this research will reflect completely on the overall satisfaction of customer and employee as it is only tested on a small population of participants. Again, ability to convince participants that it is solely for educational purposes and depth insight will be another limitation as I have two surveys.

# **CHAPTER SIX**

# 6 APPENDIX

## The Survey

Two surveys are used in this research to help the researcher establish the link in the research question satisfaction.

# 6.1 CUSTOMER SATISFACTION SURVEY

Customer satisfaction surveys are an effective way of getting feedback from customers and play an important role when it comes to measuring, managing and improving customer loyalty.

Dear Participant,

I am a Masters student from National College of Ireland, and I am conducting a survey in regards of customer satisfaction in the retail sector. Your answers will be used to help me conduct my research in my thesis as part of my Masters Dissertation. I appreciate your participation in the survey and hope it can lead to improvement of services.

The first section consists of two questions for collecting the demographical profile of participants. This was accomplished by the gathering of basic demographic data for age and gender only.

Question 1: What age profile are you in?

Question 2: What is your gender?

This section 2 of the survey consists of six questions providing the researcher with feedback on the satisfaction levels of the quality of service received from the respondents' last shopping experience. Overall it focuses on customer service and the service received.

Please indicate your opinions about each of the following statements ranging from strongly disagree to strongly agree.

Strongly Disagree Neither Agree/Disagree Agree Strongly Agree

- 1. Overall, I am happy with the service I received on my last shopping experience
- 2. The employee(s) who assisted me appeared happy to serve me.
- 3. The employee(s) performed their duties as I anticipated.
- 4. The employee(s) who assisted me appeared to be cold and distant.

- 5. The (Store) employees really focus on customer service.
- 6. Overall, I am happy with the service I just received.

Section 3 examines the relationship between customer experiences and customer loyalty. Let's us analyse whether a customer still feels happy about the service they receive after shopping.

- 1. Employees understand specific needs of customers (empathy).
- 2. Employees are able to "put themselves in the customers' place" (empathy).
- 3. Employees are able to "tune in" to each specific customer (empathy).
- 4. Employees "surprise" customers with their excellent service (excellent performance).
- 5. Employees do more than usual for customers (excellent performance).
- 6. Employees deliver an excellent service quality that is difficult to find in other organizations (excellent performance).

Section4 looks to identify the level of loyalty a customer feels for the retail store. This section is a great way to evaluate whether a customer will return to the retail store and gives an impression of the customers' satisfaction and recommendation.

- 1. If possible, I will return to this store in the future/always.
- 2. I will recommend this store to other people
- 3. I will warn people about this store's poor service.
- 4. I will say positive things about the store to others.
- 5. I will encourage my friends and relatives to do business with the store.
- 6. I will consider the store my first choice for purchases.
- 7. The prices of my purchases are reliable and reasonable.

Section5, This section is allowing the respondent to give an overall feeling towards the store and shopping experience allowing the respondent rate their satisfaction ranging from

Very satisfactory, Satisfactory, Neither satisfactory /unsatisfactory, Unsatisfactory, Very unsatisfactory.

1. Are you satisfied with the additional services your retail store has to offer?

# 6.1.2 EMPLOYEE SATISFACTION SURVEY

Employee satisfaction surveys are effective way of getting feedback from workers about HR practice and internal and external service.

## Dear Participant,

I am a Masters student from National College of Ireland, and I am conducting a survey in regards of employee satisfaction. Your answers will be used to help me conduct my research in my thesis as part of my Masters Dissertation. I appreciate your participation in the survey and hope it can lead to improvement of services.

The researcher put up employee survey to get responses from participate base on the on the HR practices and internal and external service.

Section 1 consists of three questions for collecting the socio-economic profile of participants. This was accomplished by the gathering of basic demographic data for age, gender and years employed

1. Gender

Male, Female

2. Age

15-25

26-35

36-50

50 and above

3. How long have you been employed with your current employer?

Less than 6 months

6-12 months

1 - 3 years

Over 3 years

Section 2 Human Resource Management Practices.

The following questions evaluate your views about your job and workplace and to explore the concept of how important staffs are in the service delivery. It is necessary to explore whether participants are being presented with the relevant training and experiences to carry out their duties.

Please indicate your opinions about each of the following statements ranging from strongly disagree to strongly agree.

Strongly Disagree Disagree Neutral Agree Strongly Agree

1. My job and tasks offer opportunities to learn new things

2. I know how the managers rate my performance on my work tasks

3. When addressed to perform tasks outside my regular duties, I happily accept.

4. Training, development and promotion systems exist within the organisation.

5. Appraisal and Reward are aspects of Performance Management in my workplace

6. Employment relation is managed by teamwork, autonomy, and job design.

Section 3 Human Resource Management Practices.

To explored important of training in service delivery. It is necessary to explore whether employees are giving adequate training to carry out their duties

## Training

1. Managers asked us for our opinion on training activities.

2. Learning helped to overcome work obstacles.

3. Training was practical.

4. Sufficient training was provided.

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Section 4 Service climate and Satisfaction

To investigate the elements required to implement best practice of customer service

1. Employees in the store have knowledge of the job and the skills to deliver superior quality work and service.

- 2 Employees receive recognition and rewards for the delivery of superior work and service.
- 3 The overall quality of service provided by the organization to customers is excellent
- 3. Employees are provided with tools, technology, and other resources to support the delivery of quality work and service to customers.

## Section5 Dedication;

- 1. I find the work that I do full of meaning and purpose.
- 2. I am enthusiastic about my job.
- 3. My job inspires me.
- 4. I am proud of the work I do.
- 5. I find my job challenging.

Section 6 Engagement vigour and Loyalty.

- 1. At work, I feel full of energy.
- 2. In my job, I feel strong and vigorous.
- 3. When I get up in the morning, I feel like going to work.
- 4. I can continue working for very long periods at a time.
- 5. In my job, I am mentally very resilient.
- 6. At work, I always persevere, even when things do not go well.

## Section7 Technology;

To investigate if technology will be the basic element need in service delivered.

- 1. Is technology available in your workplace
- 2. Is technology applicable to your job
- 3. Technologies are easy-to-use and useful.
- 4. Technical guidebooks and material resources are available.
- 5. Technology is available.
- 6. External technical services are provided.

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