

Self-efficacy and retail sales person effectiveness in Gems and Jewellery industry**Giselle George****Research Scholar, BSMED, Bharathiar University, Coimbatore, T.N****Dr. R. Venkatapathy****Professor & Director, BSMED, Bharathiar University, Coimbatore, T.N****Dr. Assissi Menachery****Professor, Loyola Institute of Technology and Science, K.K Dist, T.N****Abstract**

Background: Retail sales people play a minor role in the success of retail organizations. They are labeled as order fillers (Dubinsky & Mattson, 1979). Researchers differ on this opinion that, it may not be right in the case of Gems and Jewellery Industry. Research in the Indian context, especially in Gems and Jewellery Industry is scarce. An attempt has been made to study and understand the relationship between 'Self-efficacy' with respect to 'Retail sales person effectiveness' in two geographical regions and divisions.

Research Objective: The objective of the study is to examine the relationship between Self-efficacy of retail sales person' related to 'Sales person effectiveness' in an emerging market economy like India as well as to discover the similarity or difference among the regions and divisions studied.

Methodology: The South Indian operation of a national retail jeweller provided the research provenance from which two regions and two divisions were selected for the study. Systematic random sampling was adopted. A sample size of '152' retail sales executives with an experience of 1-4 years from two regions and two divisions were selected for the purpose of the study. Self-efficacy was assessed with the General self-efficacy scale of Schwarzer & Jerusalem (1999) and Sales person effectiveness was assessed by using Sales Personnel Sales effectiveness scale (SES) of Assissi Menachery & R. Venkatapathy (1999).

Findings: The result shows that there is a positive relationship between Self-efficacy and 'Retail sales person effectiveness' across the regions and product divisions studied.

Conclusion: Based on the results it can be concluded that Retail industry requires hiring the right personnel, to excel among the competitors. Nurturing and developing the managerial skills suiting to the region and specific training needs may be considered by the company. Allocation of competent and result oriented sales executives and balance them in both divisions and regions would be an operational objective that HR department may set.

Keywords: Effectiveness, Gems and Jewellery Industry, Retail sales person effectiveness, Sales, Self-efficacy.

Introduction

Though many studies found to have reported, that explains the negative cause effect relationship on retail sales person performance; there are hardly few studies that identified a positive cause effect relationship. This may be due to the factor, as Dubinsky and Mattson (1979) mentioned that retail sales people have traditionally been seen to play a minor role in the success of retail organizations. They have been characterized as 'order fillers'. Management's focus has been on merchandise, store design, location, advertising and similar issues with the personal selling component of the retail mix receiving less attention.

In the case of 'Gems and Jewellery industry' researchers differ on the above said argument due to the high value nature of the products being sold. The core process of the Gems and Jewellery retail industry is 'retail sales processes'. For the basic commodity 'Gold', the value proposition offered to customer is the conversion of gold metal to an ornament at different designs or models at different weights. The value addition charge (making charge) varies between 2% to 25% depending on different type of models and designs sourced from different locations across the world. For Diamonds and Gems, certified products and innovative designs are sourced from identified suppliers, across the world where 'retail sales' have significant impact on the success of the organization. Unlike other general retail segments Dubinsky and Mattson (1979) observed, where sales personnel act as just order fillers; in Gems and Jewellery Industry retail sales personnel do play a significant role in the organizational performance and hence this study.

Literature Review

There are various studies on retail sales people; boundary spanning and conflicting expectations (Weatherby & Tansik, 1994; Goodwin & Radford, 1993; Hartline and Ferrell, 1996) and role ambiguity (Berry & Gresham 1986; Cronin & Taylor 1992). According to Saxe and Weitz (1992), Role ambiguity is inversely related to Sales person's performance and negatively associated with organizational commitment and commitment to service quality (Wetzels et al, 2000) and role ambiguity as a major cause for job tension and dissatisfaction (Dunlap, Dotson & Chambers, 1988; Kelley, 1992; Westbrook, 1981). Dubinsky and Levy (1989) believes that, as Sales person's performance is multifaceted, multiple measures including objective, subjective and behavioral measures should be used in the assessment of retail sales person performance. This argument is supported by Peppers and Rogers (1999).

Self-efficacy is "the belief in one's capabilities to organize and execute the courses of action required to manage prospective situations" (Bandura, 1995). Bandura described these beliefs as determinants of how people think, behave, and feel. Research findings reveal that high self-efficacy would have a positive impact on the amount of efforts and persistent behaviour by individuals in a stressful work condition (Luthans, 1995). Brief and Aldag (1981) found negative association between job related stress and self-efficacy. Karatepe et. al. (2007) found that self-efficacy is a significant predictor of employee performance at job, but they could not find significant association between self-efficacy and job satisfaction.

Significance of the study

Retailing is a labor intensive business (Burstiner, 1986; Weitzel, Schmarzkorf & Peach, 1989; Manson, Mayer & Ezelle, 1991) and retail industry is characterized by long working hours, relatively inexperienced employees and low wages (Darden, Hampton & Howell, 1989; Donnelly & Etzel, 1977)]. These factors contribute to high rates of labour turn over which in turn increases personnel costs (Spivey, Munson & Lacander, 1979). All these factors clearly explain the significance of retail sales executives and their effectiveness especially in Gems and Jewellery industry. But research involving retail sales persons' performance has received very little attention. The situation is much worse in the

emerging nations such as India. India is number one in gold consumption across the world. Although, the role of retail sales persons is extremely important in Gems and Jewellery industry, there has not been much research on this issue. Emerging nations like India has opened their economies to foreign investors that in turn resulted in more competition and changes in retailing practices. This has also created a need to understand the psyche of retail industry sales people such as Self-efficacy related to the 'Retail sales person effectiveness'.

Objectives of the study

This research examines the relationship between 'Self-efficacy' and 'Sales person effectiveness' in an emerging market economy like India. The research aims to discover the similarity or difference among the regions and divisions studied. This allows the researchers to formulate the following hypotheses:

Hypotheses

- 1) Self-Efficacy is dependent on the 'Retail Sales person effectiveness'.
- 2) The respondents belonging to regions (Kerala & Tamil Nadu) and divisions (Gold and Diamond) remain homogenous on the Self-efficacy scores of retail sales executives.
- 3) The respondents belonging to regions (Kerala & Tamil Nadu) and divisions (Gold and Diamond) remain homogenous on the 'Sales person effectiveness' scores of retail sales executives.

Methodology

The South Indian operation of a national retail jeweller provided the research provenance from which two regions and two divisions were selected for the study. The response sheets with a covering letter, which explains the purpose and scope of the study, were initially sent to the branch heads. In order to avoid bias, the respondents were given information that, they were participating in a research program on 'Self-efficacy' and 'Effectiveness of retail sales executives' to identify the required competency gap. Within one week to one month researcher approached every branch and clarified doubts if any and further collected the filled in questionnaire.

Participants and Sample

Table 1. Population and Sampling frame.

Regions / Divisions	Population			Sampling frame		
	Kerala	Tamil Nadu	Total	Kerala	Tamil Nadu	Total
Gold	258	271	529	52	55	107
Diamond	109	114	223	22	23	45
Total	367	385	752	74	78	152

The names of retail executives were categorized alphabetically and numbered numerically as per the employee code number and as per the alphabetical order. Further, one employee from every two, based on the numerical numbering was selected for the study. Systematic random sampling was adopted. Thus a sample size of '152' retail sales executives is taken for the purpose of the study. These retail sales executives are with experience of 1-4 years from the branches in Kerala and Tamil Nadu regions.

Measures

Self-efficacy was assessed with the General self-efficacy scale of Schwarzer & Jerusalem (1999). The General self-efficacy Scale is a self-administered scale consists of 10 items with four choice responses from Not at all true to exactly true.

Sales Personnel Effectiveness was assessed by using Sales Personnel Sales effectiveness scale (SES) of Assisi Menachery & R. Venkatapathy (1999) with four sub scales 1) Selling skills, 2) Service Orientation, 3) Product

Knowledge and 4) Competitor Knowledge. The Sales Personnel Effectiveness scale (SES) is a self-administered scale consists of 32 items with five choice responses from 'Not at all true for me' to 'completely true for me'.

Analysis, Results and Discussion

The data collected from the respondents were analyzed using various statistical tools, and the results are presented. Several null hypotheses formulated for the purpose of present investigation are put together using the inferential statistical tools. The Correlation results are analyzed and discussed to identify the relationship between Self-efficacy and Retail sales person effectiveness. Moreover Z-test is used to find out the similarity or difference between two regions (Kerala & Tamil Nadu) and divisions (Diamond and Gold). During discussion, attention has been given in arriving at a conclusive perspective on the analysis, hypothesis testing and interpretation of data related to the variables. The results are discussed in detail.

Test of Significance - Self-efficacy and Retail sales person effectiveness

The study is taken up to assess 'Self-efficacy' and 'Effectiveness of retail sales person'. To examine if there is any relationship between Self-efficacy and 'Retail sales person effectiveness', Karl Pearson correlation coefficient was used and found to be "0.88."

Figure1. Self-efficacy and Retail sales person effectiveness Relationship



The above graph evidence a linear equation, it is concluded that there is a relationship between higher scores of Self-efficacy and Retail sales person effectiveness scores. This shows that Retail sales person effectiveness is dependent on 'Self-efficacy'. This study conform the study of Karatepe. et al. (2007) that self-efficacy is a significant predictor of employee performance at job and the same can be advanced in the Indian retail context.

Test of Significance: Gold and Diamond division

The mean, standard deviation and 'Z' value were worked out as per Table 2 for the scores of the respondents, on the 'Effectiveness of retail sales executive scale'. A comparison has been done between the different groups of respondents as in Table No.2. It is observed that there is a significant difference between the mean scores of the Sales Personnel Sales effectiveness scale (SES) with regard to Gold and Diamond division.

Table 2. Gold and Diamond division.

Criterion Groups	N	Mean	'Z' Value	Significance level and result
Self-Efficacy (Gold)	107	28.6	4.20	0.05
Self-Efficacy (Diamond)	45	33.2		Significant
Service Orientation (Gold)	107	23.61	- 4.09	0.05
Service Orientation (Diamond)	45	28.54		Significant
Selling Skills (Gold)	107	24.31	4.22	0.05
Selling Skills (Diamond)	45	28.82		Significant
Product Knowledge (Gold)	107	25.19	4.07	0.05
Product Knowledge (Diamond)	45	29.63		Significant
Competitor Knowledge (Gold)	107	24.96	4.03	0.05
Competitor Knowledge (Diamond)	45	29.22		Significant

Test of significance: Kerala and Tamil Nadu Region

The mean, standard deviation and 'Z' value were worked out as per Table No.3 for the scores of the respondents, on the 'Sales Personnel Sales effectiveness scale (SES)'.

Table 3. Kerala and Tamil Nadu Regions.

Criterion Groups	N	Mean	'Z' Value	Significance level and result
Self-efficacy (Kerala)	74	26.7	-2.70	0.05
Self-efficacy (TN)	78	29.9		Significant
Service Orientation (Kerala)	74	25.05	-2.91	0.05
Service Orientation (TN)	78	27.77		Significant
Selling Skills (Kerala)	74	25.31	-2.87	0.05
Selling Skills (TN)	78	29.97		Significant
Product Knowledge (Kerala)	74	25.28	-2.42	0.05
Product Knowledge (TN)	78	28.76		Significant
Competitor Knowledge (Kerala)	74	25.05	-2.37	0.05
Competitor Knowledge (TN)	78	28.40		Significant

A comparison has been done between the different groups of respondents as in Table No.3. It is observed that there is a significant difference between the mean scores of the Self-efficacy of 'Retail sales executive effectiveness scale' with regard to Kerala and Tamil Nadu regions. While analyzing separately, the scores of Kerala and Tamil Nadu regions, there is a significant difference among all the four sub scales with regard to the mean scores of 'service orientation', 'selling skills', 'product knowledge' and 'competitor knowledge' In all four sub scales mean score of Tamil Nadu is higher than the mean score of Kerala.

Summary

- 1) The 'Retail Sales personnel effectiveness' is dependent on 'Self-efficacy'.
- 2) There is significant difference between the mean scores of the 'Self-efficacy' of retail sales executives' with regard to Gold and Diamond division. Moreover, the mean score of Diamond division is higher than the mean score of Gold division.
- 3) There is significant difference between the mean scores of the 'Self-efficacy' of retail sales executives with regard to regions studied. Moreover, in the General Self-efficacy scale the mean score of Tamil Nadu region is higher than the mean score of Kerala region.
- 4) There is significant difference between the mean scores of the 'Sales Personnel Sales effectiveness scale (SES)' with regard to Gold and Diamond division.
- 5) There is significant difference among all the four sub scales with regard to the mean scores of 'Service orientation', 'Knowledge of the product', 'Knowledge of the competitor' and 'Selling skills' among the divisions studied. Moreover, in all four sub scales the mean score of Diamond division is higher than the mean score of Gold division.
- 6) There is significant difference between the mean scores of the 'Sales Personnel Sales effectiveness scale (SES)' with regard to Kerala and Tamil Nadu state.
- 7) There is significant difference among all the four sub scales with regard to the mean scores of 'Service orientation', 'Knowledge of the product', 'Knowledge of the competitor' and 'Selling skills'. Moreover, in all four sub scales mean score of Tamil Nadu is higher than the mean scores of Kerala.

Discussion

It is natural in the industry and also in this company, to deploy more experienced and competent retail sales personnel in the diamond division. This is due to the fact that selling diamonds require more effort than selling gold ornament on many facets. Firstly diamond and precious stones are products with high value compared to gold. Further selling diamonds and precious stones require 'technical knowhow' such as gemology, astrology and technicalities of different types of stones as well diamonds. The high mean scores are justified based on experience and competence that the company consciously chooses to deploy smarter sales people for selling diamonds and precious stones. While analyzing the scores of Gold and Diamond divisions, there is a significant difference among all the four sub scales with regard to the mean scores of 'Service orientation', 'Selling skills', 'Knowledge of the product' and 'Knowledge of the competitor' In all four sub scales mean score of Diamond division is higher than the mean score of Gold division.

Future Research Directions

The following leads are suggested for the future research endeavor in this area of study and research.

- 1) An inter-state (all India) study to understand the cross-cultural issues.
- 2) Specific behavioral dimensions may be identified and probed suiting to the needs and requirements of the retail industry.

Conclusion

It is aimed at studying the empirical relationship between Self-efficacy and Effectiveness of retail sales person. Based on the outcome of the analysis of the results, it is possible to extricate the skills and capabilities unique for the high complexity competitive scenario in retail industry. Retail industry requires hiring the right personnel, to excel among the competitors. Nurturing and developing the managerial skills suiting to the region and specific training needs may be considered by the company. The management of the company may implement training programmes with an integrated approach to emphasize the mix of Self-efficacy and other four elements such as 'Selling skills', 'Service Orientation', 'Knowledge of the product' and 'Knowledge of the competitor' for the maximum benefit. Allocation of competitive and result oriented retail executives and balance them in both divisions and regions would be an another operational objective that HR department may set so that, inter-group level training and benchmarking may be implemented to enhance competence and performance.

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