

Evaluation of Employment Status and Service Delivery in Supermarkets, IMO State, Nigeria.

Emeh Prince Chinenye¹, Uwaoma Ugochukwu G.Abraham², Chijioko
Ahamefula³, Ikonne Ugwueze⁴

^{1,3,4}(Department of marketing, Abia State Polytechnic, Aba- Nigeria)

²(Department of Marketing Michael Okpara University Of Agriculture, Umudike- Nigeria)

ABSTRACT: *Supermarket business is very lucrative and economically vibrant but will be more profitable if properly managed. This study evaluated employment status and service delivery in supermarkets in Imo State of Nigeria. The study objectively examined the variables that affect employment status and service delivery in supermarkets in Imo State. It also evaluated the extent of the relationship between employment status and service delivery in grocery business. Random sampling was used to select 21 supermarket proprietors and 89 employees summing up to 110 respondents. It was observed that cost and attitude of workers are the variables that mostly affect employment status and service delivery in grocery business. Also the relationship between employment status and service delivery is moderate. The researchers recommend that proprietors of supermarket should integrate the employees into their decision making process as this will give the employees a sense of belonging and possibly see themselves as co-owners of the business because neglecting them will adversely affect the business.*

KEYWORDS: *Customers, Employment, Grocery, Supermarket, Service delivery.*

I. INTRODUCTION

The trends in marketing practices throughout the world are changing vigorously. Nowadays, employers are more concerned about employees' retention as a way of controlling costs. The need for quality service delivery has encouraged the employers to pay attention towards employees' training and development to ensure that staff with the right skills and knowledge are retained and motivated to give their best in service to the customers. In the world of today, Employees are critical and expensive resource and their management is essential. The optimization of the employees' contribution in order to achieve the aims and goals of any organization is necessary for organizational growth and effective performance (Johnny 2011). However, in recent years there has been substantial increase in the proportion of the Nigerian workforce employed on a casual basis and it is mostly evidenced in grocery or retail stores in Nigeria (Duru, 2010). Many jobs in supermarkets are held by merchandisers and stock persons. Employees typically split their time between storerooms and the supermarket floor, receiving shipments, pricing items, stocking shelves, and checking inventory (Mazi, 2010).

Stewart(2003) observed that as a upshot of increasing competition in the market place, and volatile market dynamics, many supermarkets are actively seeking ways to add value to their services and improve their service quality. Supermarkets have become keen to making operational efficiency a priority. Again, customers of this modern era have less time, and are more intelligent, than ever before. This require more capabilities and

competences from employees to provide more personalized services to customers in order to create positive shopping experiences and enhance value perception.

II. STATEMENT OF THE PROBLEM

Competition has raised the bar for grocery business. Perhaps some have simply lost sight of what the customers needed and wanted. Individuals and organizations in grocery business especially the supermarkets are under pressure to accompany the sales of their wares with quality service to customers if they must survive and continue to enjoy the privileged patronage of the customers. Service employees are often the first party to represent the whole service firm and therefore are pivotal to shaping customers' perception of service quality (Parasuraman et al. 1985, Hartline and Ferrell 1996). Some studies have examined the relationship between service employees' attributes and service quality (Hartline et al. 2000, Sirdeshmukh and Singh 2000). Earlier studies by Brown and Peterson (1993) identified a weak relationship between employees' satisfaction and performance ($r = 0.15$). Nevertheless, it is reasonable to expect that this relationship may be stronger in the small and high-contact service industries. Many supermarkets well known in the past within Imo State have gone moribund and extinct partly because of poor service delivery in conjunction with other factors. This situation is worrisome and therefore serve as the motivation for this study.

III. OBJECTIVES OF THE STUDY

The broad objective of this research work is to evaluate factors that affect employment status and service delivery of supermarkets in Imo State.

The specific objectives are to:

- i) assess factors that affect employment status and service delivery in supermarkets.
- ii) examine the extent of the relationship between employment status and service delivery in grocery business

IV. LITERATURE REVIEW

Employment status is a legal issue. It is the classification of someone in employment as either an employee or working on their own account (self-employed). In practice, most classifications of employment status in official statistics expand this simple two-fold distinction into a fuller typology which identifies large employers, small employers, the self-employed without any employees, unpaid family workers contributing labour to a family farm or business, partners in a legally defined partnership, apprentices and supervisors, as well as ordinary employee (Johnny, 2012). Employment status is generally reported in terms of rates of employment, unemployment, and labor force participation. Underemployment is not generally included as a standard measure of employment; rather, it is more intuitive and is drawn from other sources, like relative income or occupational status (Roy et al., 1996). The sociological distinction between capitalists or entrepreneurs and employees selling their wage-labour is clouded in most classifications of employment status, as employers are classified by their specific legal status, as employees of their own incorporated companies; however, some countries ignore the legal status in favour of the social reality. Practice varies because this concept is not wholly defined by the economic framework that dominates labour-market statistics. As the household budget tightens in uncertain economic times, many grocery shoppers are constantly looking for the best deal in town. To attract and retain these savvy shoppers, supermarket owners should understand what customers value most and how they comparison-shop (Nnolim, 2011). With this in mind, identifying the benchmarks that helps supermarkets monitor their service delivery process, identify relative weaknesses, and take corrective actions for continuous service improvements must be among priorities of the supermarkets proprietors.

Though to some of the supermarket operators, the recruitment of workers or employee is not given a detailed analyses to know its effects on the performance of their enterprise. Eno(2005) opined that a lot of grocery shops and supermarkets have folded due to their inability to maintain service quality.

4.1 Jobs in Supermarkets

A typical supermarket requires the skills of many employees to ensure that the store runs effectively and efficiently at all times. Good workers keep customers happy and provide them with a wide variety of fresh groceries and other goods. There are many different types of supermarket jobs available to individuals with varying levels of education and experience, including grocery stock persons and merchandisers, cashiers, custodians, and management personnel. To perform optimally and give quality services to the customers, all the employee/workers of the supermarkets must play significant roles. Most jobs in stocking and merchandising can be attained with a high experience in customer service. The Cashiers may perform a range of duties to ensure customer satisfaction. They scan and bag grocery items, accept payment from customers, operate cash registers, and answer questions about prices and purchases. Cashiers must be familiar with all of the different types of groceries and merchandise offered at the supermarket and stay up to date on special deals. Most cashiers of supermarkets are senior secondary school certificate holders and experience in retail and customer service (Clarence, 2009). These functions can also be performed differently depending on the number of employee/workers and the size of the supermarket.

4.2 Challenges of employment in supermarkets

Controlling operational costs is certainly one of the biggest challenges that any retailer faces. Since supermarkets typically run on extremely low profit margins, the need for a lean and efficient operation is critical. Labor costs are the single greatest controllable expense. Some supermarket operators have a tendency to cut labor during rough times. If labor cost reduction is not managed properly, customer service and store conditions may suffer. This, of course, may result in loss of customers and sales. Retailers that do not properly budget for necessary training programs will most likely see both increased employee turnover, which becomes very costly over time, as well as reduced customer service, due to a lack of training Eno(2005).

Competition is another great challenge in grocery business. Consolidations in the market space will continue to affect existing supermarket chains, both large and small. The top-tier supermarket chains that have increased the size of their store base through recent acquisitions are struggling to absorb what they have bought while trying to defend market share against the low-cost operators. Those chains that remain standing will be the ones that learnt how to reinvent themselves. Successful supermarket chains will become experts at targeting specific consumer segments. Some are proving that being willing to target and settle for a smaller piece of the pie can be a winning formula.

Ekpo (2010) observed that most retailers or small scale industries lack the technicality in recruitment process, that is why they always hire today and fire tomorrow. Many supermarket operators neglect training their employee on how to give quality services to their customers. Though it may be expensive for a supermarket to organize a special program for training its workers, Jude (2009) stressed that at least an entrepreneur who has one or two employee should from time to time have at least two or one hour per week with them as he instruct them on the new ways of giving quality service.

4.3 Employees attitude and service delivery

Research on employees attitude and performance has traditionally resided in the domain of organizational psychology. However, as operations managers are increasingly involved in service management, they find employees attitude potentially a vital factor for service effectiveness and efficiency (Oliva and Serman , 2001; Uko et al., 2007). On the other hand, the relationship between employees attitude and service delivery has long

been of interest to researchers (Balasubramanian et al. 2003). Nagar and Rajan (2005), revealed that organizational knowledge residing in employees is the primary determinant of superior service quality, influencing market performance. Lee and Miller (1999) maintained that a dedicated workforce may serve as a valuable, scarce, non-imitable resource to enhance profitability from a strategic perspective. Oliva and Sterman (2001) found that managers' attempt to maximize input per employee eventually reduces employees' attention given to customers. The reduction of time per customer, while resulting in an immediate increase in through input, eventually gives rise to a vicious cycle of erosion of service standards. Bateson (1985) considered service employees' job as a 'three-cornered fight', in which the customer and the organization are at the two ends, while service employees are 'caught-in-the-middle' among them. It is important for service employees to meet the target of productivity performance in the organization and to fulfill customers' needs and external quality goals.

4.4 Quality service delivery

Many researchers have struggled with the issue of how to measure service quality. Perhaps the most widely used measurement is based on a set of five (5) dimensions which have been consistently ranked by customers to be most important for service quality, regardless of service industry. These dimensions defined by the SERVQUAL measurement instrument are as follows:

Tangibles: appearance of physical facilities, equipment, personnel, and communication materials;

Reliability: ability to perform the promised service dependably and accurately;

Responsiveness: willingness to help customers and provide prompt service;

Assurance: knowledge and courtesy of employees and their ability to convey trust and confidence; and

Empathy: the caring, individualized attention the firm provides its customers.

These five (5) SERVQUAL dimensions are used to measure the gap between customers' expectation for excellence and their perception of actual service delivered. The SERVQUAL instrument, when applied over time, helps service providers understand both customer expectations, perceptions of specific services, and areas of needed quality improvements. SERVQUAL has been used in many ways, such as identifying specific service elements requiring improvement, and targeting training opportunities for service staff. Proper development of items used in the SERVQUAL instrument provides rich item-level information that leads to practical implications for a service manager. The service quality dimensions evaluated as SERVQUAL should be adjusted for optimal performance in different industry, public and private sector applications.

SERVQUAL scores are highly reliable, but when used in different industries may fail to produce a clear delineation of the five basic dimensions. Other measures, such as the Six Sigma model should be considered for applicability in quantifying the gap between service expectations and perceptions.

V. RESEARCH METHODOLOGY

This study was carried out in Imo State, Nigeria. Imo State is one of the states in the south east geopolitical zone of Nigeria and is located between latitudes 4°45'N and 7°15'N, and longitude 6°50'E and 7°25'E. It occupies the area between the lower River Niger and the upper and middle Imo River. The state is bounded on the east by Abia State, on the west by the River Niger and Delta State; and on the North by Anambra State, while Rivers State lies to the south

Imo State has an estimated population of about 4.8 million and the population density varies from 230-1,400 people per square kilometer (NPC, 2007). The state is culturally homogeneous as it is a predominantly Igbo

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speaking state with minor differences in dialects. Imo State has a very rich cultural heritage and this is manifested in dressing, music, dance, festivals, arts and crafts, and the traditional hospitality of the people.

Imo state has urban centres where majority of the supermarkets are sited . The major urban centers in Imo State are Owerri, Orlu and Okigwe. The state Master plans and development plans were prepared by the state government to guide development within the capital territory, Owerri.

5.1 Sampling techniques

The study population consist of selected supermarkets in Owerri and Orlu Metropolis. Nine(9) and Twelve(12) supermarkets owners/managers and Eighty Nine(89) employees making the total respondents number to (110) were selected from Owerri and Orlu zone respectively. This gave a total of a hundred and ten (110) respondents.

Primary data was used in this research. The data for the study was obtained with the use of structured questionnaire.. The copies of the questionnaire were administered to the respondents of the selected supermarkets in Owerri and Orlu metropolis.

5.2 Method of data analysis

The data collected for this study were analyzed accordingly. Objective (i) was analyzed with econometric tool and objective (ii) was analyzed with statistical package for social sciences (SPSS).

5.2 Model specification

The model used to ascertain factors affecting employment status and service delivery in supermarkets is given explicitly as:

$$\text{EMS: } f(X_1, X_2, X_3, X_4, X_5, X_6, X_7)$$

EMS = Employment status (self employment =, paid employment 1)

X_1 = Age

X_2 = Educational status (formal= 1, informal= 0)

X_3 = Cost (taxes on supermarkets)

X_4 = Unemployment rate (unemployment 1, otherwise 0)

X_5 = Disposable income (profit~~+~~)

X_6 = Attitude (positive attitude 1, otherwise 0)

X_7 = Technological Advances

VI. DATA PRESENTATION, ANALYSIS AND RESULTS

The results of the analysis done on data obtained for this study are presented and discussed below.

TABLE 1 Analysis of factors affecting employment status and service delivery in supermarkets

	Double log	Exponential	Linear	Semi – log
Constant	8.345 (6.321)***	323.123 (3.876)***	14.673 (-1.612)*	102.45 (32.232)***
Age X ₁	021.32 (1.321)	33.543 (1.568)*	123.021 (03.782)	005.245 (1.456)
Education X ₂	321.12 (1.432)	501.11 (1.423)	20.123 (2.123)**	072.12 (1.678)*
Cost X ₃	-51.213 (5.212)***	087.231 (1.567)*	12.112 (1.699)*	162.187 (2.134)**
Unemployment rate X ₄	12.432 (2.621)**	01.234 (0.045)	00.43 (1.345)	098.105 (1.631)*
Disposable income X ₅	098.453 (1.983)*	231.101 (003.987)	010.006 (1.986)*	76.43 (1.434)
Attitude X ₆	101.021 (3.223)***	12.123 (1.567)*	1.234 (1.142)	067.32 (6.213)***
Technological Advances X ₇	-091.231 (1.890)*	123.012 (023.67)	009.109 (1.671)*	61.126 (019.71)
R ²	0.761	0.810	0.561	0.490
R ⁻²	0.719	0.786	0.560	0.411
F-statistics	14.123	9.192	32.12	4.124

Source: Field Survey, 2017.

Note: Values in parenthesis are t- values

* Statistical significant at 10%, ** Statistical significant at 5%, *** Statistical significant at 1%.

Based on the value of R² (coefficient of multiple determination), F-value conformity of the sign of the coefficient and the number of significant variables, double Log regression model was chosen. Cost and technology advancement were significant at 1% and 10% level respectively but negatively related. This simply means that increase in cost will adversely affect the employment status of supermarket workers while technology advancement will discourage more employment. Unemployment rate within the economy was significant at 5% level and affect employment status positively. This indicates that as unemployment rate increases in an economy, the employment status of workers of supermarkets will appreciate. Disposable income and Attitude were positively related and statistically significant at 10 and 1% level respectively. This indicates that good behaviour of the employees of supermarkets will improve the employment conditions of supermarket employees. Similarly, increase in the disposable income of people will culminate in an increase in supermarket profit and a resultant increase in employment will also follow.

R² was 0.761 which indicates that 76% of the variation in the dependent variable (service delivery) was accounted for by the independent variables included in the model. The F-ratio of 14.123 shows that the model was correct and was statistically significant at 1% level.

TABLE 2 Pearson product moment correlation analysis showing the extent of the relationship between employment status and service delivery in grocery business

Variables		Employment Status	Service Delivery
Employment Sta	Pearson Correlation	1	.582**
	Sig. (2-tailed)		.000
	N	110	110
Service Delivery	Pearson Correlation	.582**	1
	Sig. (2-tailed)	.000	
	N	110	110

Source: Field Survey, 2017.

** . Correlation is significant at the 0.01 level (2-tailed).

Table 2 shows the nature of relationship existing between employment status and service delivery. The Pearson correlation (r) is 0.582 and significant at 1% level with $p = 0.000$. Thus, it is evident that a positive correlation exists between employment status and service delivery in supermarkets. However, the degree of the association between the two variables is neither weak nor high but moderate as evidenced in the r value of 0.58

VII. CONCLUSION

Generally, the employment status and service delivery of supermarkets in Imo State has several factors that affect it. Factors that affects employment status interest rate, economic factors, positive attitude, disposable income, and technological advancement. The future of supermarket business in Imo State looks bright and profitable. The owners and managers of supermarkets ought to be conscious of the needs, tastes and preferences of the customers which are ever changing. There is low remuneration of supermarkets workers and that explains the reason for uncommitment and poor service delivery amongst the staff. Considering the extent of the relationship between employment status and service delivery which is revealed in this study, the researchers make the following recommendations

- (i) High neglect of employees is as a result of the proprietors' profiteering aim and pursuit of short term goal/profit. Therefore, the proprietors of supermarkets should address this problem by integrating the employees into their decision making process as this will give the employees a sense of belonging and possibly see themselves as co-owners of the business.
- (ii) There is need for government to look into how people are being employed and managed even in the small scale industries to ameliorate human rites violation.
- (iii) The employment process of supermaket workers should be taken with utmost seriousness by the proprietors and managers since the worker or employee or the service provider cannot be separated from the services/supermarkets which can affects the marketing perfomance of the supermarket.
- (iv) Naturally, consumers as human beings are sometimes emotional and rational in making purchase decisions. They prefer to patronize organizations that offer them good service. Thus, delivery of quality service is imperative if a supermarket wants to gain customer's loyalty and win new customers.

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