The Impact of Staffing Policies on Retail Buyer Job Attitudes and Behaviors

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This research focuses on the impact of four staffing policies (promotion from within, promotion through seniority, well-defined career paths, and opportunities for intraorganizational mobility) on the job attitudes and behaviors of retail employees. A test of the conceptual framework using survey data collected from 207 retail buyers and divisional merchandise managers indicates that staffing policies significantly affect the buyers’ intrinsic motivation and commitment to their firms. Commitment and intrinsic motivation, in turn, have a strong effect on a buyer’s creativity, risk-taking behavior and intention to leave the organization. The results suggest that staffing policies are an important mechanism for controlling buyer attitudes and behaviors.

A merchandising executive resigns from a retail firm. The firm must decide how to staff the position. Should it promote a promising buyer working for the firm or hire a successful buyer working for a competitor? Promoting the buyer from within the firm increases the motivation of other buyers because it signals that internal candidates will be favored for future promotion opportunities. In addition, training costs are minimized by this internal promotion since the internal candidate is familiar with the firm’s policies and procedures. On the other hand, hiring the buyer from a competitor introduces “new blood” into the firm and could provide fresh insights and ideas. The objective of this research is to provide a conceptual framework and some empirical evidence for examining the benefits and limitations of four staffing policies used in retailing organizations including the promotion from within policy mentioned above.

Retailers use incentive compensation, organizational norms, and supervisory policies to motivate employees to make decisions and engage in behaviors that are consistent with the firm’s objectives (Jaworski, 1988; Ouchi, 1979). The most common retail application of incentive compensation is the use of commissions in sales compensation plans (Basu, Lal, Shankar Ganesan, Virginia Polytechnic and State University, Department of Marketing, Blacksburg, VA 24061. Barton A. Weitz, J.C. Penny Eminent Scholar and Professor of Marketing, University of Florida, Gainesville, FL 32611.
Staelin, and Srinivasan, 1985; John and Weitz, 1989). Organizational norms direct employee behaviors through a process of informal social communication and enforcement. Finally, many retail organizations use supervision and written policies to direct employee activities. Research in marketing on such a motivational mechanism has examined the impact of supervisory behaviors on salesperson attitudes, behavior, and performance (Kohli, 1985; Teas and Horell, 1981).

The objective of this paper is to examine the consequences of staffing policies such as promotion from within, on the job attitudes and behaviors of retail buyers. In the next section, we review research on internal labor markets that provides the theoretical basis for the use of different staffing policies. The set of staffing policies associated with internal labor markets are defined and a conceptual framework proposing relationships between the staffing policies and job attitudes and behaviors is presented. The framework is tested by surveying 207 retail buyers and divisional merchandise managers.

I. THE THEORY OF INTERNAL LABOR MARKETS

Definition of Internal Labor Markets. An internal labor market is a labor market singular to a specific organization and independent of the labor market forces operating external to that organization. In organizations which have an internal labor market, selection, promotion, and compensation decisions are made with limited consideration of external labor market conditions. The staffing policies associated with an internal labor market include: (1) restricting entry to the lowest level positions in the firm and promoting from within the firm with minimal competition from people outside the firm for higher level positions; (2) defining job ladders and career paths; (3) basing rewards and promotion largely on seniority; and (4) establishing formal grievance procedures (Althauser and Kalleberg, 1981; Doeringer and Piore, 1971; Osterman, 1984).

Research on internal labor markets has addressed two important issues: (1) describing how the policies associated with internal labor markets affect employee attitudes and behaviors (Landau and Hammer, 1986); and (2) identifying the conditions under which the use of internal labor markets improves firm performance (Althauser and Kalleberg, 1981). In this paper, we concentrate on the first issue mentioned above, i.e., dealing with the behavioral and motivational consequences of internal labor market policies.

Consequences on Internal Labor Markets. The theory of internal labor markets outlines the benefits and limitations of this motivational mechanism (Wachter and Wright, 1990). Two potential benefits are greater employee commitment and better use of employee capabilities. First, the staffing policies associated with internal labor markets build commitment by rewarding employees who devote their careers to the firm, thereby intertwining the personal goals of employees and the firm. Commitment reduces turnover and training costs. Second, firms using internal labor markets are able to make better decisions about matching people to positions because they have more knowledge of employee's capabilities (Foulkes, 1980; Katz and Kahn, 1978; London and Stumpf, 1982).

However, internal labor markets have limitations. Since they isolate employees from competitive markets, employees are sheltered from the threat of replacement by a more
effective employee working for other companies. This lack of competition from external labor markets may decrease employee motivation and effort.

**Antecedents of Internal Labor Markets.** Transaction cost analysis (TCA) has been used to define the conditions under which the use of an internal labor market increases the efficiency of a firm—the condition under which the benefits exceed the limitations (Wachter and Wright, 1990; Williamson, Wachter and Harris, 1975). TCA suggests that internal labor markets should be used when employees need to acquire unique, firm specific knowledge and skills—human assets that are not transferable to other employment opportunities—to perform their job. For example, a retailing firm might have a unique and complex planning and information system. To be effective, retail buyers must make a substantial investment of time and effort to learn the system—an investment that could not be used if the person went to work for another firm.

Under these conditions, the retailer must make a significant investment in training to develop the skills and knowledge of its employees. To realize a fair return on this training investment, the retailer must find a way to prevent these specially trained employees from leaving the firm. The staffing policies associated with internal labor markets provide a mechanism to reduce employee turnover. The staffing policies adopted by the company reward long-term commitment of the employees to the organization and thus, motivate employees to acquire non-transferable skills.

By using internal labor markets, retailers can develop long-term strategic advantages. This control mechanism facilitates the development and maintenance of unique human resources that can not easily be duplicated by competitors. Strategic advantages based on human resources are particularly important in labor intensive service industries like retailing.

Several empirical studies have supported the role of idiosyncratic skills in explaining the use of internal labor markets (Baron, Davis-Blake and Bielby, 1985; Bills, 1987; Capelli and Cascio, 1991; Pfeffer and Cohen, 1984). These studies have focused on the factors leading firms to adopt internal labor markets, but have not directly examined the consequences of these policies, which is the focus of this research.

### II. CONCEPTUAL FRAMEWORK

A conceptual framework outlining the consequences of the staffing policies associated with internal labor markets is shown in Figure 1. The framework applies to retail employees in general even though the empirical results provided in the paper focus on retail buyers. In this framework, staffing policies affect the rewards realized by retail employees. The rewards affect the employees' commitment and intrinsic motivation. In turn, commitment and intrinsic motivation increase the employees' risk-taking and creative behaviors and reduce their intention to leave the organization. In the following sections, the staffing policies considered in this research are defined and hypotheses are developed and supported.
Staffing Policies

The staffing policies examined in this research are: (1) promotion from within the organization; (2) use of seniority as a basis for providing rewards; (3) existence of well-defined career paths; and (4) job mobility within the firm.

Promotion from Within. Promotion from within is defined as the extent to which a firm restricts hiring to the lowest level in the organizational hierarchy and fills job openings at higher levels by promoting from within the organization.

Promotion Based on Seniority. This staffing policy reflects the degree to which firms base promotion decisions on seniority, i.e., number of years a employee has worked for the firm, versus other criteria.

Career Paths. This staffing policy refers to the existence of well-defined sequences of promotion opportunities. When the career paths are well-defined, employees have greater knowledge about the promotion opportunities and the steps required to achieve higher level positions.
Intraorganizational Mobility. Intraorganizational mobility is defined as the ease with which employees can transfer from one area to another within the firm. In a retailing context, examples include transferring from men’s apparel to housewares or from the merchandising division to store operations.

Effect of Staffing Policies on Rewards

Our framework suggests that staffing policies affect the rewards employees receive and their perceptions about potential rewards in the future. The rewards we consider are perceived promotion opportunities and compensation.

Promotion Opportunities. Promotion opportunities represent the extent to which employees believe that opportunities to move up the organizational ladder exist within the organization (Landau and Hammer, 1986). Employees working for a retailer with a promotion from within staffing policy recognize that they will only have to compete with each other, not with people outside the firm, when promotion opportunities arise. Due to the reduced set of potential competitors for promotion opportunities, employees should perceive their promotion opportunities as greater than employees working for firms that do not have these staffing policies. Landau and Hammer (1986) found that for employees of a state agency, perceived organizational policy of filling vacancies from within was positively related to perceived ease of advancement within the organization.

H1a: Promotion from within increases a buyer’s perception of promotion opportunities within the retail organization.

Well-Defined Career Paths. The existence of well-defined career ladders informs employees about the promotion opportunities that are available at various stages of their careers and indicates the sequence of the positions they have to pass through to be promoted into higher level positions. By defining the promotion sequences, the firm makes the promotion opportunities more salient to its employees. For example, most retail organizations have a job ladder for their merchandising operations that begins at trainee buyer and proceeds through various positions of increasing responsibility to the level of a general merchandising manager:

H1b: Well defined career paths increase a buyer’s perception of promotion opportunities within the retail organization.

Intraorganizational Mobility. Intraorganizational mobility offers opportunities for employees to seek positions in different areas of a firm. Thus, employees will perceive a greater possibility of a promotion when organizations allow mobility across different units. Additionally, many organizations seek to fill vacancies at the managerial level with employees who have broad training and experience. An employee who has occupied the positions of a store manager, as well as a buyer, is likely to have a much broader set of experiences than an employee who has remained in the buying function alone. Employees who move
horizontally across functional areas and obtain broad experience, may feel that such experience increases their intrinsic value, and thus, enhances their promotion opportunities (Diprete, 1987):

**H1c:** *Intraorganizational mobility increases a buyer’s perception of promotion opportunities within the retail organization.*

*Promotion Through Seniority.* Using seniority as a criterion for promotion decisions has an equivocal effect on perceived promotion opportunities. Employees performing well will prefer to have promotion decisions based on performance and thus perceive seniority based promotion as reducing promotion opportunities. On the other hand, some employees may prefer the greater assurance of promotion offered by seniority based system. Since, most white-collar workers consider promotion through seniority as unduly restricting the mobility of employees (Beyer, Stevens and Trice, 1980), we hypothesize that for retail buyers:

**H1d:** *Promotion through seniority decreases the perception of promotion opportunity within the retail organization.*

Although the literature dealing with internal labor markets indicates promotion through seniority as contributing to the emergence of well-defined internal labor market, we posit a negative relationship between promotion through seniority and perception of promotion opportunity.

*Compensation.* As indicated previously, internal labor markets have traditionally emerged in organizations where employees need to acquire unique, firm specific knowledge and skills to perform their job. From the retailer’s viewpoint, turnover of employees with organizations specific skills is costly as there are few replacements available in the external market and the training investment is lost. From the employee’s viewpoint, the wage they command in the external market is a function of those skills that can be easily transferred to other organizations: not idiosyncratic skills unique to the current organization. Thus, the employer wants to retain the employee and avoid high replacement costs; while, the employee wishes to remain with the organization since they have acquired skills that are not readily transferable to other firms and employment opportunities in the external market are limited. In such a situation, firms develop a “mutually satisfying exchange relation” which emphasizes long-term employment (Wachter and Williamson, 1978).

Wachter and Wright (1990) provide a compelling rationale why firms that have strong internal labor markets compensate employees at lower salary levels than firms that do not use internal labor markets. First, firms employing employees with transaction-specific skills have a greater knowledge about the employee’s worth than the employees. Such asymmetric information can lead to opportunistic behaviors by the firm in terms of lower salaries. Second, these firms trade-off long-term guaranteed contracts with employees in lieu of lower salaries. Firms absorb the risk associated with potential non-performance of employees with long-term contract by offering lower salaries. Third, firms try to recoup the investments made in imparting specific skills by offering a lower salary throughout the term of the contract with the employee (an alternative is to increase the efficiency of the employees more than the norm):
H2: **Retail employees perceiving that their firms (a) promote from within, (b) promote through seniority, (c) have well defined career paths, and (d) offer intraorganizational mobility, respectively, will have lower annual salaries than employees perceiving their firms do not have these policies.**

The theory of internal labor markets does not address the mix of employee compensation or the level of incentive compensation. Thus, we do not have hypotheses concerning the impact of internal labor market policies on incentive compensation. However, we include incentive compensation in the model as an exploratory variable and because incentive compensation affects subsequent attitudes and behaviors.

**Rewards and Job Attitudes**

The two job attitudes we consider are affective commitment and intrinsic motivation.

**Affective Commitment.** Affective commitment is defined as “the relative strength of an individual’s identification and involvement in a particular organization” (Mowday, Porter and Steers, 1982, p. 27). Conceptually, affective commitment indicates: (1) a strong belief in the acceptance of the organization’s goals and values; (2) a willingness to exert considerable effort on behalf of the organization; and (3) a strong desire to maintain membership in the organization.

Employees who perceive greater promotion opportunities within the organization or are paid a high salary are likely to consider these actual and potential rewards as indicators of organization’s commitment to them. Norms of reciprocity would suggest that this belief will increase their affective attachment to the firm. Also, the prospect of future promotions is likely to increase the employee’s interest in staying with the organization longer to realize the future rewards. Previous empirical research has supported the effects of promotion policies on affective commitment (Gaertner and Nollen, 1989; Landau and Hammer, 1986):

H3: **Greater (a) promotion opportunities and (b) salaried compensation, respectively, increase the affective commitment of retail employees.**

In contrast, incentive compensation may signal to employees that the firm is not committed to them. Rather than trusting employees to work effectively at their job, the firm is only willing to compensate employees if their performance is superior. If employees perceive that their firm is not committed to them, their commitment to the firm may decrease. Thus, we hypothesize that:

H3c: **Greater use of incentive compensation by firms reduces the affective commitment of retail employees.**

**Intrinsic Motivation.** Intrinsic motivation arises inherent in doing the task or job itself (Dyer and Parker, 1975). Thus intrinsic motivation of employees is related to the extent to which they find their work interesting and challenging. Promotions and compensation are
extrinsic rewards. Such extrinsic rewards are likely to reduce the intrinsic motivation of an employee by focusing employee's attention on the rewards from job performance and not the job itself.

Early research in this area has found that offering extrinsic rewards to a person for performing a task can diminish the person's intrinsic motivation (Deci, 1971; Lepper, Green and Nisbett, 1973). This effect arises because people seek to justify their effort devoted to the task, attribute their behavior to the extrinsic rewards, and then think that the task must not be interesting. However, recent research (Ryan, Mims and Koestner, 1983; Harackiewicz, Sansone and Manderlink, 1986) has shown that performance contingent rewards may actually increase intrinsic motivation rather than decrease it. Deci and Ryan's (1985) cognitive evaluation theory (CET) provides a rationale for the positive effect of rewards on intrinsic motivation. In CET, rewards are thought to mediate judgments of self-determination and competence by virtue of the informational or controlling nature of feedback they provide. If the reward provides feedback that enhances one's performance, competence, and achievement, internal locus ascriptions are increased (e.g., I received a bonus because I performed very well), resulting in greater intrinsic motivation. In contrast, if rewards are viewed as controlling one's performance, and achievement, then such rewards are likely to reduce intrinsic motivation.

In a retail setting, the competence aspect of promotions are likely to be more salient due to the widespread belief that promotions reflect personal competence and mastery over the task. Similarly, incentive compensation reflects more accurately a retail employee's performance, and competence in the job as compensation is directly tied to objective performance criteria. In contrast, salary is often viewed as a reward for adequate performance rather than exceptional performance. Thus:

\[ H4: \text{Greater (a) promotion opportunities and (b) incentive compensation increase the intrinsic motivation of retail employees, respectively, while (c) salary decreases the intrinsic motivation.} \]

**Intrinsic Motivation and Affective Commitment.** Intrinsically motivated employees find the job rewarding and challenging. Since this benefit is provided by the organization, intrinsically motivated employees are likely to be committed to their organization. For example, a buyer for J.C. Penney's might be intrinsically motivated by their job as a buyer for Penney's and may attribute a significant part of the challenge of the job to the resources provided by Penney and thus, will be committed to Penney out of a sense of reciprocity:

\[ H5: \text{Greater intrinsic motivation in employees increases their affective commitment.} \]

**Job Attitudes, Behaviors and Behavioral Intentions**

The job behaviors we consider in this research are creative and risk-taking behaviors. The behavioral intention examined is intention to leave the organization.
Creative Behavior. Creative behaviors are behaviors which are novel and useful (Scott and Bruce, 1994). In a retailing context, such behaviors might lead to developing new merchandise, approaches for selling customers, or techniques for displaying merchandise.

Intrinsic motivation is postulated as one of the key factors leading to creative behavior (Amabile, 1990; Hennessey and Amabile, 1988; Woodman, Sawyer and Griffen, 1993). Intrinsic motivation stimulates a desire to master the job. Because doing the job itself is rewarding, employees want to learn how to do it better. Thus they are likely to explore new and innovative approaches. In a study of creativity in R&D scientists, Amabile and Gryskiewicz (1987) found that the single most frequently mentioned characteristic of scientists involved in highly creative work was intrinsic motivation—being primarily motivated from within, from the scientist's own interest in the work itself, and not from external pressures. Forty percent of participants in this study mentioned some aspect of intrinsic motivation as a positive influence on creative behavior:

H6a: Greater intrinsic motivation increases the creative behaviors of retail employees.

As indicated previously, organizations with internal labor markets can expect affective commitment from employees. Mowday et al. (1982) have noted that an employee's strong commitment to the organization results in behaviors that go beyond the call of duty, including actions for which the individual receives no immediate reward and which benefits the overall organization (O'Reilley and Chatman, 1986). Eisenberger, Fasolo and Davis-Lamastro (1990) in a study of employees of large steel plant, found that perceived commitment by employees resulted in greater affective attachment, which in turn, was related to innovative ideas offered by the employees. Innovation in this study was measured by the constructiveness of anonymous employee proposals to aid the organization.

H6b: Greater affective commitment increases the creative behaviors of retail employees.

Risk-Taking Behaviors. Risk-taking behavior refers to the extent to which employee are willing to take risk, explore and adopt new ideas when the consequence of such behavior could have negative as well as positive outcomes. For example, retail buyers engage in risky behaviors when they take a chance buying a new line of merchandise and undertake a new type of promotion.

Intrinsically motivated employees are motivated by the challenge of the work itself, and are not as motivated by money, recognition, or external directives. They feel freer to take risks because they are not as concerned about the potential loss of extrinsic rewards (Lepper and Greene, 1978):

H7a: Greater intrinsic motivation increases the risk-taking behavior of retail employees.

Commitment affects risk-taking behaviors by employees in two different ways. Employees who are committed to the organization feel more secure and confident that any deviations
from the norm in terms of performance and procedures will be tolerated. Such a perception of greater latitude and freedom fosters a climate of risk-taking. Second, employees who are committed to the organization are willing to take the extra risks to perform better, and thus, increase the organization’s productivity level. However, it is also possible that employees who desire to strengthen their membership might not be willing to take very high risks:

H7b: Greater affective commitment increases the risk-taking behavior of retail employees.

Turnover Intention. Turnover intention is defined simply as the behavioral intentions to leave an organization (Jackofsky, 1984). In this paper, we examine the employee’s intention to leave, not the actual turnover or termination of employment. However, most studies having found a strong link between turnover intention and actual turnover (Jackofsky, 1984; Mobley, Homer and Hollingsworth, 1978). Affective commitment results in an acceptance of the organization’s goals and a strong desire to maintain membership in the organization. Committed employees believe that the organization has met and/or is capable of meeting their expectations. Mobley et al. (1978) found that commitment to an organization was correlated negatively with the intention to leave the organization.

Employees who are intrinsically motivated by their jobs, who find their jobs exciting and challenging, are less likely to be attracted by extrinsic rewards such as higher pay offered by other firms. Thus:

H8: Greater (a) affective commitment and (b) intrinsic motivation, respectively, reduces retail employees’ intention to leave.

III. METHOD

Research Setting and Data Collection

The framework presented in Figure 1 was tested using data collected in a national mail survey of retail employees working for department, specialty, and discount store chains. A single mailing of the survey was mailed to 2000 employees from a national mail list consisting of retail buyers, divisional merchandise managers, general merchandise managers and senior merchandise officers. As an incentive, a summary of the findings was offered to each participating respondent.

These managers in retail buying organizations are responsible for pricing and promoting products. They work with other organizations or units in the firm to develop new products. The buyers are responsible for product profitability but do not have direct authority over the implementation of plans in the stores.

Characteristics of the Sample. The respondents to the survey were employed by retail organizations with annual sales volume ranging from under $100 million to more than $1 billion and were responsible for annual sales volume of under $5 million to more than $100
millions. The retail buyers taking part in the survey dealt with a wide variety of product categories such as men’s and women’s casual wear, children’s wear, sweaters, electronic appliances, and intimate apparel. The majority of the respondents were employed by department stores, specialty stores or discount stores and included buyers with less than 5 years to more than 20 years of retailing experience.

Pretest. Pretests were done with managers in the buying organization from one department store chain. Several of the managers had worked for different retailers employing a variety of staffing policies. Exploratory questions were conducted with managers to ascertain whether the staffing issues were important to them and to ask them to respond to the construct measures. The interviews indicated considerable interest in the issues and revealed a reasonable amount of perceived variability across the retail firm on the different constructs. Based on the interviews, adjustments were made in the items.

Response Rate and Final Sample. We received a total of 222 completed questionnaires. Out of the 222 respondents, 15 respondents occupied the position of a “trainee buyer” or an “assistant buyer.” The responses from these buyers were eliminated from the study, resulting in a total sample of 207 respondents. The response rate from this mailing is difficult to assess because of the problems with the sampling frame. In many cases, the requests were returned because the addresses were incorrect or the individual no longer worked for the firm. However, based on the number of returned envelopes, we believe a total of 1,500 retail buyers received the questionnaire. Thus, the response rate is 14.8%.

Nonresponse Bias. To check for the non-response bias, we carried out a formal test by comparing early respondents with the late respondents (Armstrong and Overton, 1977). Early responses were defined as the first 75% of the returned questionnaires. The last 25% were considered late responses and were deemed representative of the buyers who did not ultimately respond to the survey. These proportions were similar to the actual manner in which the questionnaires were returned; 75% were returned well before the last 25%. These groups were compared on the basis of several variables including sales volume of the organization, sales volume responsibility, experience in the retailing industry and organization, the number of stores bought for, and the type of organization. The results from the MANOVA suggest that early and late respondents are not significantly different on any of the characteristics mentioned above (F = 0.32, p > 0.1). All the univariate tests also indicated no difference between the early and late respondents. Further, early and late respondents also did not differ by the type of organization, such as department store, specialty store or discount store (χ² = 0.03, ns).

Measures

All the measures used in this study and their Cronbach’s alpha are indicated in Table 1. The correlation matrix is provided in Table 2. Informants responded to all the items used in our research, unless mentioned otherwise, on a 7-point scale anchored by “strongly disagree” and “strongly agree.”

Promotion from Within. Two separate measures were used to assess the extent to which a retail organization promoted buyers from within the firm. The first measure was comprised
TABLE 1

Measures Used in the Study

A. Staffing Policies

1. Promotion From Within
   Measures 1 (Landau and Hammer, 1986)
   1. Our organization has a policy of promotion from within the organization. (0.89)
   2. Our organization rarely hires people for senior management positions from outside the organization. (0.67)
   3. Job vacancies in our buying department are usually filled by people from outside the department. (R) (0.54)
   4. An employee in the buying department who applies for a job in the store has a better chance of getting that job than someone outside the organization applying for the same job. (0.45)
   Cronbach's alpha: 0.70
   Measure 2 (New Scale)
   What is the probability that a vacancy at each of the following positions is filled by promoting people from within the organization rather than being filled by people hired from outside the organization? (0.84)
   Response on a 0–100 % scale where 0% indicates that the vacancy is filled entirely by people outside the organization and 100% indicates that a vacancy is filled entirely by people within the organization

2. Promotion Through Seniority
   Measure 1 (New Scale)
   1. Promotions for the buying personnel is determined largely by seniority. (0.85)
   2. Promotions in our organization are largely determined by seniority. (0.84)
   Cronbach's alpha: 0.84
   Measure 2 (New Scale)
   Divide a total of 100 points among the criteria used by your organization at your level for promotion such that the most important criterion has the highest points (0.58)
   Response to "Seniority in the organization" as a criterion from 0 to 100 points. 0 points indicates that seniority was the least important criteria while 100 points indicates that seniority was the most important criterion.

3. Intraorganizational Mobility (Adapted from Landau and Hammer, 1986)
   1. Our organization offers a lot of mobility for employees within the firm. (0.82)
   2. It would be easy to find a position in another area in this organization. (0.66)
   Cronbach's alpha: 0.70

4. Existence of Career Path (New scale)
   1. Our organization has a clear cut career path for their employees.
   Results of the CFA for Promotion from within, Promotion through seniority, and Intraorganizational Mobility: CFI = 0.96, CFI = 0.98, SRMR = 0.048

B. Buyer Rewards

1. Perception of promotion opportunity (New scale)
   1. My opportunities for promotion in this organization are excellent.
   2. I am very satisfied with the promotion opportunities in this organization.
   3. This organization has a lot of promotion opportunities for me.
   Cronbach's alpha: 0.85

2. Salary (Adapted from John and Weitz, 1989)
   Salary in dollars = Total compensation last year in dollars X Percentage of total compensation last year due to salary

3. Incentive Compensation (Adapted from John and Weitz, 1989)
   Incentive compensation in dollars = Total compensation last year in dollars X Percentage of total compensation last year due to incentives (e.g., commission, bonus, stock options, profit sharing)
### TABLE 1 (Continued)

#### C. Buyer Job Attitudes

1. **Affective Commitment** (Mowday, Porter, and Steers, 1982)
   1. I am proud to be a part of this organization. (0.87)
   2. I enjoy discussing this organization with people outside it. (0.75)
   3. I really care about the fate of this organization. (0.73)
   4. I am glad that I chose to work for this organization. (0.72)
   5. My values are similar to those of the organization. (0.68)
   6. I am willing to put extra effort beyond expected to make this organization successful. (0.58)
   Cronbach's alpha: 0.86

2. **Intrinsic Motivation** (Sujan 1986)
   1. I really care about my job. (0.76)
   2. My job is exciting and challenging. (0.69)
   3. My job gives me an opportunity to learn something new and different. (0.62)
   4. If it were not for the money, I would not be in this job. (R) (0.55)
   5. My job does not really interest me. (R) (0.54)
   6. If I were wealthy, I would still be a buyer for the challenge of it. (0.43)
   Cronbach's alpha: 0.72

   Results of CFA for affective commitment and intrinsic motivation:
   \[ GFI = 0.93, CFI = 0.95, SRMR = 0.048 \]

#### D. Buyer Behaviors & Behavioral Intentions

1. **Turnover Intention** (Adapted from Keaveney, 1992)
   1. I do not think I will spend all my career with this organization. (0.84)
   2. I intend to leave this organization within a short period of time. (0.63)
   3. I have decided to quit this organization. (0.74)
   4. I am looking at some other jobs now. (0.79)
   5. If I do not get promoted soon, I will look for a job elsewhere. (0.60)
   Cronbach's alpha: 0.83

2. **Creative Behavior** (Adapted from Scott and Bruce, 1994)
   1. When new trends develop, I am usually the first to get on board. (0.68)
   2. I experiment with new approaches to merchandising my products. (0.69)
   3. I am on the lookout for new ideas from my suppliers. (0.60)
   4. I try to be as creative as I can in my job. (0.59)
   5. My boss feels that I am creative in my job. (0.54)
   Cronbach's alpha: 0.75

3. **Risk-taking Behavior** (New scale)
   1. I am a risk taker as far as my job is concerned. (0.58)
   2. I take some risk with the merchandise I buy. (0.62)
   3. I have achieved success by taking calculated risks at the right time. (0.60)
   Cronbach's alpha: 0.63

   Results of CFA for Creative behaviors, Risk taking behaviors, and turnover intention:
   \[ GFI = 0.92, CFI = 0.93, SRMR = 0.059 \]

**Notes:**

a. All items in Table 1 are Likert items anchored by strongly disagree (1) and strongly agree (7) unless otherwise noted.

b. In Table 1, R indicates reverse worded items and all items designated as (R) were reversed before the analysis was done.

c. In Table 1, the figures in parentheses reflect the factor loadings.

1. These factor loadings are based on a CFA of promotion from within, promotion through seniority, and intragorganizational mobility.

2. These factor loadings are based on a CFA of affective commitment and intrinsic motivation.

3. These factor loadings are based on a CFA of all the items for creative behaviors, risk-taking behaviors, and turnover intention.
|                         | Mean  | SD    | creat | rsktk | turint | comit | imot | propp | salary | incent | prwit1 | prwit2 | prsen1 | prsen2 | mobil | cpath |
|-------------------------|-------|-------|-------|-------|--------|-------|------|-------|--------|--------|--------|--------|--------|--------|-------|-------|-------|
| Creative Behavior       | 5.58  | 0.76  | 1.0   |       |        |       |      |       |        |        |        |        |        |        |       |       |       |
| Risk-taking Behavior    | 5.29  | 0.92  | 0.43**| 1.0   |        |       |      |       |        |        |        |        |        |        |       |       |       |
| Turnover Intention      | 2.82  | 1.45  | -0.09 | -0.02 | 1.0    |       |      |       |        |        |        |        |        |        |       |       |       |
| Affective Commitment    | 5.55  | 0.96  | 0.40**| 0.22**| -0.58**| 1.0   |      |       |        |        |        |        |        |        |       |       |       |
| Intrinsic Motivation    | 4.34  | 0.60  | 0.27**| 0.20**| -0.33**| 0.35**| 1.0  |       |        |        |        |        |        |        |       |       |       |
| Promotion Opportunity   | 3.98  | 1.48  | 0.27**| 0.10  | -0.46**| 0.65**| 0.33**| 1.0  |       |        |        |        |        |        |       |       |       |
| Salary                  | 49869 | 23352 | 0.09  | 0.09  | -0.05  | 0.07  | 0.11 | 0.06  | 1.0    |        |        |        |        |        |       |       |       |
| Incentive Compensation  | 5625  | 9026  | 0.03  | 0.04  | -0.01  | 0.10  | 0.08 | 0.09  | 0.26** | 1.0    |        |        |        |        |       |       |       |
| Prom. from within –ms1  | 4.55  | 1.30  | 0.08  | -0.05 | -0.21**| 0.27**| 0.14*| 0.38**| -0.11 | 0.01  | 1.0    |        |        |        |       |       |       |
| Prom. from within –ms2  | 69.53 | 25.44 | -0.00 | -0.02 | -0.06  | 0.06  | -0.00| 0.19* | -0.18* | -0.06 | 0.73** | 1.0    |        |        |       |       |       |
| Prom. thr’ seniority–ms1| 2.70  | 1.29  | -0.05 | -0.01 | -0.02  | -0.04 | 0.23**| 0.12* | 0.01  | 0.02  | 0.16* | 0.20** | 1.0    |        |       |       |       |
| Prom. thr’ seniority–ms2| 8.24  | 8.82  | -0.15*| -0.02 | 0.07   | -0.10 | 0.01 | 0.09  | -0.09 | 0.03  | 0.15* | 0.22* | 0.49** | 1.0    |        |       |       |
| Intraorganizational Mobility | 3.70 | 1.40  | 0.15* | 0.00  | -0.33**| 0.48**| 0.26**| 0.70**| 0.0   | 0.02  | 0.29**| 0.16  | 0.21** | 0.16* | 1.0    |       |       |
| Career path             | 3.74  | 1.74  | 0.11  | 0.01  | -0.25**| 0.20**| 0.13  | 0.50**| 0.22**| 0.08  | 0.37**| 0.24**| 0.16* | 0.16* | 0.48**| 1.0    |       |       |

Notes: **p < 0.01, *p < 0.05

The correlation matrix depicts a semi-partial correlation between two variables after removing the effects of the following variables: type of retail organization (3 dummy variables), number of years experience in retail industry, annual sales volume of the firm, number of years experience with the firm, position in buying organization (2 dummy variables), and number of years since last promotion.
of four Likert scale items that focused on the extent to which the retail firm adopted a policy of promoting and filling vacancies from within the firm, rather than from outside the firm.

For a second measure, respondents were asked, "What is the probability that a vacancy at each of the following buying positions is filled by promoting people from within the organization rather than being filled by people hired from outside the organization?" The responses for all positions from buyer to senior merchandise officer were averaged to obtain a mean probability of a retail firm filling vacancies from within the organization. The results of the confirmatory factor analysis reported in Table 1 indicates that both measures tap into the promotion from within construct.

Promotion Through Seniority. Two separate measures were used to assess the extent to which buyers perceived their firm has a policy of promoting employees through seniority. The first measure is comprised of two Likert scale items that focus on the extent to which a retail firm uses seniority as a criterion for promotion to higher level positions.

The second measure was based on the question, "Divide a total of 100 points among the criteria used by your organization at your level for promotion such that the most important criterion has the highest points." One of the criteria used was "promotion through seniority." The points allotted to seniority was used as an indicator of promotion through seniority.

Existence of Career Path. The perceived existence of a clear cut career path for buyers was measured by a single item. This item captures the extent to which buyers are clear about the advancement and promotion opportunities within the organization.

Ease of Intraorganizational Mobility. The perceived ease with which buyers could move from one division or department to another is captured by a two item scale that is based on measures employed by Landau and Hammer (1986) to measure ease of movement within organizations. The two Likert items reflect the ease with which buyers can obtain alternative forms of employment within the organization.

Promotion Opportunity. The perceived extent to which a buyer perceived promotion opportunities within the retail organization was assessed through 3 items. These items focused on the level of promotion opportunities available to the retail buyer and divisional merchandise manager.

Salary. The salary obtained by the buyer was calculated from the responses on two questions, "What was your total compensation last year (1991)?" and "What percentage of your total compensation was due to salary?" The compensation was reported in dollars.

Incentive Compensation. Similar to the measure for salary, incentive compensation was calculated from total compensation and the percentage of compensation that was incentive based. The incentive compensation included commission, bonus, stock options, and profit sharing. Incentive compensation was measured in dollars. Our definition of incentive compensation is similar to that used by John and Weitz (1989), who define incentives as all commissions and bonuses paid to a salesperson.

Affective Commitment. Six items were used to assess affective commitment of the buyers towards the organization. The six items tap the multiple facets of commitment incorporated in our definition, including a strong sense of loyalty, willingness to exert extra effort, and concern for the fate of the company. This scale is adapted from the organizational commitment scale developed by Mowday et al. (1982). Although the shortened version of OCQ uses 9 items, CFA revealed that only six items loaded on our affective commitment construct.
Intrinsic Motivation. A buyer’s intrinsic motivation was assessed by six items. These six items capture the extent to which the retail employee is motivated by the job or task itself, i.e., the extent to which they find the task of buying exciting, challenging, and rewarding. This scale is adapted from the measures of intrinsic reward orientation used by Sujan (1986).

Creative Behavior. Five items were used to assess a buyer’s creativity in their job. The 5 items tap the extent to which the retail employee is creative in the job by developing new ideas, experimenting with new approaches, and merchandising products based on new consumer trends. Many of items used in this scale are similar to the measure of innovative behavior in organizations (Scott and Bruce, 1994). Researchers in this area have used creative behaviors and innovative behaviors interchangeably (see West and Farr, 1990 for a discussion on the similarity between the two concepts).

Risk-Taking Behavior. The extent to which a buyer takes risks in the job was measured with 3 items. These items reflect the extent to which retail buyers are willing to take risks in exploring and adopting new ideas in the buying of merchandise to achieve job goals. The focus is on the risk preference of the buyers. Since no extant scales were available, some of the items were adapted from Raju (1980) where the focus was on the risk-taking behaviors of consumers with respect to products, brands, and restaurants.

Turnover Intention. A buyer’s intention to leave the organization was measured by 5 items. These items assess the extent to which buyers believe that they would be leaving the organization within a short period of time. They are based on turnover intention scales used in Good, Sisler and Gentry (1992), and Keaveney (1992). Both these studies investigate the turnover of retail buyers and retail management personnel.

Control Variables. The respondents were asked to indicate: (1) whether the retail organization was a department store, specialty store, discount store, or a category killer; (2) the experience in the retailing industry; (3) the annual sales volume of their firm; (4) the number of years experience with the present organization; (5) the position in the buying organization—Buyer, Senior Buyer, or Divisional Merchandise Manager; and (6) the time from the last promotion. These variables are not part of our conceptual framework, but we included them in the analysis to control for rival explanations and unexplained variance.

Measure Development

The first step involved developing multiple items for each construct. Item analysis and exploratory factor analysis were used to clarify the scales. The items showing high factor loading and not loading on multiple factors were retained. After this initial analysis, the entire set of items was subjected to confirmatory factor analysis (CFA) to assess unidimensionality. Specifically, a model was estimated in which every item was restricted to load on its a priori specified factor, and the factors themselves were allowed to correlate (Gerbing and Anderson, 1988). The resulting set of items was tested for unidimensionality and convergent and discriminant validity using a confirmatory factor analytic procedure (LISREL 8.10). Once unidimensionality was established, internal consistency was calculated using Cronbach’s alpha. The results of the CFA are provided in Table 1. The means, standard deviations, and correlations of variables are shown in Table 2.
IV. ANALYSIS AND RESULTS

The model in Figure 1 was estimated using LISREL 8.10 (Jöreskog and Sörbom, 1993). All the measures are subject to measurement error that can introduce bias in the estimates of the structural coefficients. The effects of such error were modeled explicitly using the procedure suggested by Hayduk (1987). This involved constraining the theta delta and theta epsilon matrices to predetermined values corresponding to a priori determined levels of error variance. These estimates for the error variance are based on reliabilities obtained through coefficient alpha for each measure except for career path, promotion from within, and promotion through seniority. For career path, which is a single item measure, a reliability of 0.6 was chosen.

The promotion from within and promotion through seniority constructs were measured by two distinct measures. For promotion from within, the multiple item scale with a reliability of 0.70 was used to define the latent variable metric (i.e., the path in the LY matrix was constrained to equal 1.0). Similarly, promotion through seniority was measured by two distinct measures, the first based on a multiple item scale and the second based on the extent to which seniority was used a criteria for promotion at the level of the buyer.

All the independent variables are assumed to be correlated. Similarly, the residuals of the two latent compensation (salary and incentives) constructs and the residuals of creativity, risk-taking, and turnover intention are assumed to be correlated because of correlated errors.

Model Fit. The overall model fit was good. The Goodness of Fit index (GFI) was 0.96, the Standardized Root Mean Square Residual (SRMR) was 0.06, the Root Mean Square Error of Approximation (RMSEA) was 0.02, the Comparative Fit Index (CFI) was 0.99, and the Non-normed fit index (NNFI) was 0.99. Finally, the chi-square was non-significant ($\chi^2 (61) = 67.69, p = 0.26$). All these indices provide a strong indication of good model fit. The estimated relationships in the model are shown in Table 3.

Rewards

Promotion Opportunity. All staffing policies except career path had a significant effect on promotion opportunity. A retail firm's policy of promoting buyers from within the firm had a significant effect on perception of promotion opportunity ($0.13, p < 0.05$), supporting $H_{1a}$. Perception of intraorganizational mobility has a positive effect on perceived promotion opportunities ($0.82, p < 0.01$), supporting $H_{1c}$. As predicted, promotion through seniority has a negative effect on perception of promotion opportunity ($-0.13, p < 0.10$), supporting $H_{1d}$. Together, the staffing policies account for 81% of the variance in promotion opportunities.

Salary. Three staffing policies had a significant effect on salary. All the variables together accounted for 19% of the variance associated with salary.

The salary earned by a buyer was negatively affected by a promotion from within policy ($-0.26, p < 0.01$) and intraorganizational mobility ($-0.18, p < 0.10$). However, salary was positively affected by the existence of career path ($0.53, p < 0.01$). Promotion through seniority did not affect the salary earned by buyers. These results partially support $H_{2}$. The
**Table 3**

Results of the LISREL Analysis

<table>
<thead>
<tr>
<th>Standardized Parameter Estimate</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion from within—Promotion opportunity</td>
<td>0.13**</td>
</tr>
<tr>
<td>Promotion from within—Salary</td>
<td>-0.26***</td>
</tr>
<tr>
<td>Promotion from within—Incentive compensation</td>
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</tr>
<tr>
<td>Promotion through seniority—Promotion opportunity</td>
<td>-0.13*</td>
</tr>
<tr>
<td>Promotion through seniority—Salary</td>
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</tr>
<tr>
<td>Promotion through seniority—Incentive compensation</td>
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</tr>
<tr>
<td>Promotion through seniority—Affective commitment</td>
<td>-0.27***</td>
</tr>
<tr>
<td>Career path—Promotion opportunity</td>
<td></td>
</tr>
<tr>
<td>Career path—Salary</td>
<td>0.53***</td>
</tr>
<tr>
<td>Career path—Incentive compensation</td>
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</tr>
<tr>
<td>Mobility—Promotion opportunity</td>
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</tr>
<tr>
<td>Mobility—Salary</td>
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</tr>
<tr>
<td>Mobility—Incentive compensation</td>
<td>0.01</td>
</tr>
<tr>
<td>Promotion opportunity—Affective commitment</td>
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</tr>
<tr>
<td>Promotion opportunity—Intrinsic motivation</td>
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</tr>
<tr>
<td>Salary—Affective commitment</td>
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</tr>
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<td>Salary—Intrinsic motivation</td>
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</tr>
<tr>
<td>Incentive compensation—Affective commitment</td>
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</tr>
<tr>
<td>Incentive compensation—Intrinsic motivation</td>
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</tr>
<tr>
<td>Affective commitment—Creative behaviors</td>
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<tr>
<td>Affective commitment—Risk-taking behaviors</td>
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</tr>
<tr>
<td>Affective commitment—Turnover intention</td>
<td>-0.68***</td>
</tr>
<tr>
<td>Intrinsic motivation—Affective commitment</td>
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</tr>
<tr>
<td>Intrinsic motivation—Creative behaviors</td>
<td>0.17*</td>
</tr>
<tr>
<td>Intrinsic motivation—Risk-taking behaviors</td>
<td>0.21*</td>
</tr>
<tr>
<td>Intrinsic motivation—Turnover intention</td>
<td>0.01</td>
</tr>
</tbody>
</table>

**Notes:** * p < 0.10, ** p < 0.05, *** p < 0.01; two-tailed tests for all independent variables
Chi-square with 61 df = 67.69 (p = 0.26, ns)
Goodness of Fit index (GFI) = 0.96
Comparative Fit Index (CFI) = 0.99
Non-normed fit index (NNFI) = 0.99
Standardized Root Mean Square Residual (SRMR) = 0.058
Root Mean Square Error of Approximation (RMSEA) = 0.023

The effect of promotion from within supports H2a, and suggests that firms that employ such policies are more likely to pay the market rate for only transferable skills, but not for organizational specific skills. However, the effect of career path is opposite to the proposed hypothesis. Perhaps, retail organizations who develop specific career paths for their buyers are truly concerned about retaining the particular employees (e.g., buyers earmarked for a “fast” track) by providing them market rates or premiums for both transferable and non-transferable skills.
Incentive Compensation. None of the staffing policies had a significant effect on incentive compensation. The results suggest that incentive compensation is not affected by staffing policies adopted by retail organizations.

Job Attitudes

Affective Commitment. Retail buyers' perception of promotion opportunity significantly affects their affective commitment towards the organization (0.69, \( p < 0.01 \)). Higher levels of perceived promotion opportunity creates loyalty as employees believe that they have a better chance of obtaining future rewards. This supports \( \text{H3a} \). Both salary and incentive compensation are not related to affective commitment. These results offer no support to \( \text{H3b} \) or \( \text{H3c} \). Finally, intrinsic motivation is a significant predictor of affective commitment (0.19, \( p < 0.01 \)). Buyers who find their job interesting and challenging are more satisfied with their job, leading to higher levels of commitment. This provides support to \( \text{H5} \).

Intrinsic Motivation. Retail buyers who perceive greater levels of promotion opportunity show greater levels of intrinsic motivation (0.38, \( p < 0.01 \)). This result supports \( \text{H4a} \). Buyers who perceive promotion opportunities can look forward to series of jobs with growing responsibility. This is likely to increase intrinsic motivation. In contrast, buyers who do not expect promotion or advancement obtain gratification through extrinsic rewards such money, fringe benefits, and a nice office. Pennings (1970) found that office workers in jobs with high promotion opportunity placed more value on intrinsic rewards.

Neither salary nor incentive compensation were related to intrinsic motivation. Thus, \( \text{H4b} \) and \( \text{H4c} \) are not supported. One explanation for this non-significance could be related to how retail buyers view salary and incentive compensation. Our assumption in this paper was that salary would be viewed as an extrinsic reward that was controlling, while incentives would be viewed as an extrinsic reward that was informational. In contrast, if compensation provides information on task performance and competence, then both salary and incentives may increase intrinsic motivation. Thus, the relationship between compensation and intrinsic motivation may depend on whether the monetary rewards are viewed as controlling or informational. Our lack of results suggests that the link between compensation and intrinsic motivation may be moderated by the perception of the rewards as controlling or informational.

Job Behaviors and Behavioral Intentions

Creative Behavior. As hypothesized, affective commitment had a significant impact on buyer's creative behavior (0.41, \( p < 0.01 \)), supporting \( \text{H6b} \). Buyers who are committed to the organization through internalization of goals and values are likely to consider creative options to solve problems. As predicted, intrinsic motivation was a key predictor of creativity (0.17, \( p < 0.10 \)), supporting \( \text{H6a} \). The results also suggest an indirect effect of intrinsic motivation on creativity through affective commitment. Buyers who are highly intrinsically
motivated are committed to their job and organization, and this in turn, leads them to exhibit greater levels of creativity in their jobs.

Risk-Taking Behavior. Intrinsic motivation was significantly related to risk-taking behaviors (0.21, \( p < 0.1 \)). The results provide support for \( H_7a \). Intrinsically motivated retail buyers are not afraid of stepping from the standard or usual procedures, as potential loss of extrinsic rewards is not a major concern. A retail buyer's affective commitment was also related to the risk-taking behavior of the employee (0.17, \( p < 0.10 \)). Thus, \( H_7b \) is also supported.

Turnover Intention. Several studies in organizational behavior have found affective commitment to be a significant predictor of turnover intention. The results from this study support the above result (−0.68, \( p < 0.01 \)), confirming \( H_8a \). A meta analysis (Mathieu and Zajac, 1990) of organizational commitment concluded that the relationship between commitment and intention to leave was very strong.

Intrinsic motivation was not related to turnover intention. However, the indirect effect of intrinsic motivation on turnover intention was significant. This suggests that intrinsic motivation leads to greater levels of affective commitment, which in turn, affects intention to leave the organization.

Post-hoc Paths and their Results

Only one path was freed in the a priori model based on the modification index to improve the fit of the model. The modification index of the path from promotion through seniority to affective commitment was 9.5. As a result, this path was freed in the model. The results show strong negative effect of promotion through seniority on affective commitment (−0.27, \( p < 0.01 \)). Buyers who perceive a promotion policy where seniority is given a lot of weightage are less likely to be committed to the organization. This supports research in organizational behavior that suggests that promotion based on performance and not seniority is considered most equitable.

IV. DISCUSSION

Our results, taken as a whole, provide substantial support for the conceptual framework. A summary of significant results is presented in Figure 2. Staffing policies had a strong effect on employee reward perceptions and job attitudes. Job attitudes, in turn, strongly affected the behaviors and behavioral intentions of buyers in retail organizations.

Staffing Policies as Control Mechanisms

The study findings indicate that staffing policies that create an internal labor market are effective in controlling buyer attitudes and behavior. Specifically, the results suggest that
promotion from within and intraorganizational mobility have a positive effect on buyers’ perception of promotion opportunity. Greater promotion opportunity increases commitment to the organization and results in higher creativity and reduced turnover. Thus, staffing policies associated with internal labor markets provide organizationally beneficial behaviors. However, staffing policies associated with internal labor markets can also decrease affective commitment. Specifically, internal labor market policies isolate the buyers from external labor markets resulting in lower salaries. The results indicate that both promotion from within and mobility reduce the salaries earned by buyers. Lower salaries decrease employee commitment to the organization.

Another promotion policy, promotion on the basis of seniority, negatively affects affective commitment. Firms that adopt a policy of promoting on the basis of seniority reduce affective commitment. The results suggest that promotion on the basis of seniority, which has been traditionally considered as a contributing factor towards the establishment of internal labor markets, has a different effect compared to other staffing and promotion polices.
In sum, the results of this study indicate that buyer commitment, which is the basis for many desirable behaviors, can be achieved by: (1) adopting a promotion from within policy; (2) creating opportunities for mobility within the organization; and (3) promoting on the basis of performance and not seniority.

Similarly, providing opportunities for growth within the organization increases the intrinsic motivation of buyers. Intrinsically motivated buyers show greater levels of commitment to the organization, and improve their performance through creative and risk-taking behaviors. The results indicate that creative and risk-taking behaviors and intention to leave the organization can be significantly affected by the promotion policies retailers adopt and the degree to which retail firms provide opportunities for growth (through clear career paths) and movement within organizations.

The results suggest that commitment and intrinsic motivation are affected by providing opportunities for growth through promotion opportunities within the organization. Committed and intrinsically motivated buyers behave in organizationally beneficent ways, such as being creative and by appropriate risk-taking. Commitment to the organization also decreases the intention to leave the organization.

Limitations

First, the measures of the staffing used by the retail firms are based on the perceptions of the buyers. These perceptions may be inaccurate, introducing measurement errors that bias the results. Future research should consider using multiple informants of staffing policies and/or archival data. Second, all of the measures are based on paper and pencil responses by the same respondents. The potential common method variance would bias the results toward significance. Third, since the respondents do not represent a random sample of managers in retail buying organizations, we cannot generalize our results beyond the specific group of respondents. However, the empirical results support the theory with one set of respondents. Future research will be needed to test the theory in other contexts. A fourth limitation of this study deals with the restricted set of mediating constructs included in the model. Along with rewards and promotion opportunities, other variables, such as expectancies, instrumentalties, valances, and role perceptions, can affect intrinsic motivation and affective commitment. Future researchers need to explore a broader set of variables in the context of staffing policies and its consequences. Finally, this study uses data from a cross-sectional design to test various hypotheses. In a cross-sectional design, it is difficult to rule out alternate explanations, especially those concerning reverse causation. For example, committed employees can pursue creative and risk-taking behaviors in time 1, and successful creative and risk-taking behaviors can increase the commitment to the organization in time 2. A stringent test of reverse causation can be accomplished only through a longitudinal study. Also, it is possible that several alternative models fit the data equally well. In this paper, we propose a conceptual model that is based on the existing body of knowledge and fit the model with the data. Although the conceptual model fits the data well, we do not claim that this model is the best model that fits the data.
Directions for Future Research

The impact of staffing policies on attitudes and behaviors of retail employees has largely been ignored in the marketing literature. Research on control mechanisms has mainly concentrated on the impact of incentive compensation and supervisory behavior. The results of this study suggest that staffing policies might be a productive area for future research.

Although this study investigated the effects of control mechanisms on buyer attitudes and behaviors, the study did not explicitly measure performance at the individual or firm level. Thus, our research is suggestive, but really does not answer the question posed at the beginning of the paper. Further research needs to assess the impact of staffing policies on individual performance.

A second area of research involves the different control mechanisms. Jaworski (1988) provided a typology that included both formal and informal control mechanisms. Since formal control systems are initiated by the management, future research should identify input, process, and output control mechanisms and test their effect on individual consequences. Alternatively, future research could focus on the extent to which organizations use formal and informal controls and the differential effects of those controls on individual attitudes, behaviors and performance.

Finally, research which investigates the extent to which macro, operating, and internal environments dictate the use of different types of controls may play an important role in our understanding of control systems.

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NOTES

1. In this paper, we pool the data from buyers, divisional merchandise managers, and general merchandise managers. Conceptually, the use of staffing policies to motivate and control retailing employees is equally applicable to buyers, divisional merchandise managers, and general merchandise managers. Empirically, we tested the difference in means across the three groups and did not find significant difference on any of the variables except for compensation.

2. Throughout the remaining portion of the paper, we use the term “buyer” to refer to the set of managers in the buying organization (buyers, senior buyers, divisional merchandise managers, general merchandise managers, and senior merchandise executives) who responded to the survey.

3. This study has used a measure of creativity which is based on employees own perception of their creativity. Research in the area of individual creativity and innovation has found that using experts as a evaluator of creative outputs (Amabile, 1983) is a better indicator of creative behaviors and talents. In this context, a measure of creative behavior from the supervisor or peers might have provided a better measure of creative ability and behavior. We acknowledge this as a limitation of the measure used in this study.

4. The use of multiple procedures on the same data is likely to increase the chance factors associated with obtaining a significant result.
5. The input to the Lisrel analysis was a semi-partial correlation matrix that was obtained by partialling out the variance from the 12 primary constructs using 7 control variables. The control variables were: (1) type of firm; (2) annual sales volume responsibility of the buyer; (3) retailer's sales volume; (4) experience in the current retail organization; (5) experience in retail buying; (6) position of the buyer; and (7) amount of time since being promoted in the organization. Two of the 7 control variables, i.e., type of firm and the position of the buyer are categorical variables. All the other variables are continuous variables. For the categorical variables, dummy variables were created and the dummy variables were used to partial out the variance. For example, for the position of the buyer, one dummy variable was created (the two positions were buyer/senior buyer and divisional merchandising manager). This dummy variable was used to partial out the variance from the correlation matrix. A similar procedure was followed for the type of firm where 3 dummy variables were created. Thus, a total of 9 control variables (5 continuous variables and 4 dummy variables) were used to partial out the variance from the correlation matrix.

**REFERENCES**


