Retail industry corporate hypocrisy can lead to negative employee attitudes, loss in sales

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The U.S. retail industry is the nation's largest employer, with nearly 15.7 million employees and one million retail stores. However, research has shown the public has negative perceptions of the retail industry's employment working conditions. Now, researchers in the University of Missouri Department of Textile and Apparel Management have determined that corporate hypocrisy is an important factor in negative perceptions among employees toward retail companies.

Corporate hypocrisy occurs when a corporation promotes certain values and benefits publically, but is perceived by employees as ignoring those values internally. Saheli Goswami, a doctoral student in the MU College of Human Environmental Sciences, says it is important for retail companies to prevent corporate hypocrisy in order to maintain good employee relations as employees work directly with customers.

"Retail employees, particularly store associates, are the faces of retail companies to the public," Goswami said. "These employees interact with customers on a daily basis and have the ability to leave positive or negative impressions upon those customers. With the rise of online shopping, it is more important than ever for these employees to maintain positive customer service in brick and mortar retail stores. However, many employees will not be motivated to make good impressions if they believe the company they work for is hypocritical in the ways it treats them."

For the study, Goswami and Jung Ha-Brookshire, an associate professor

of textile and apparel management and associate dean for research in the MU College of Human Environmental Sciences, interviewed retail industry employees in various levels of employment. They found two ways that retail employees experience corporate hypocrisy: from direct managers and from corporate offices.

The researchers found the most common way employees experience corporate hypocrisy was through their managers, who often would say one thing about store maintenance or polices, yet perform those actions differently themselves. Employees also reported distrust and feelings of being replaceable partly due to the hypocritical behaviors of store managers. Hypocrisy from corporate offices also appeared to be a problem due to inconsistent policies, differences in evaluation standards, and a lack of follow-through on promised benefits such as professional development opportunities.

"These negative employee relations through perceived corporate hypocrisy are hurting the retail industry," Goswami said. "Many good employees get frustrated by these experiences and sometimes will leave the industry altogether, resulting in companies having to hire inexperienced replacements. Further, many employees will pass on these negative experiences through interactions with customers and through negative reviews, further hurting retail sales and reputations. It is important for these companies to provide good manager training to prevent manager hypocrisy, as well as to remain consistent with employee policies across the board."

Next, Goswami and Ha-Brookshire plan to expand the study to a larger group of retail employees. The study, "Exploring U.S. Retail Employees' Experiences of Corporate Hypocrisy" was published in the *Organization Management Journal*.