Perceived Corporate Hypocrisy: Management Inconsistencies in the U.S. Retail Industry

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The retail industry is one of the largest employment sectors in the U.S., with an increase in employment by 319,000 over the year 2014-2015 (U.S. Bureau of Labor Statistics, 2015). It offers many entry-levels jobs that do not require high-level qualifications or skills (Lewis et al, 2008). Some researchers even indicate that it as a *bad job* industry, with lower compensations, lesser benefits, and fewer career growth opportunities, thus leading to high turnover rates (Williams & Connell, 2010). These issues of low commitment could be disadvantageous to overall retail businesses' performance because sales associates working in stores are the people with whom consumers directly interact and make transactions. Furthermore, poor management at the store level would also increase turnover rates of these employees. Poor management could often manifest through inconsistencies in management policies and/or implementations, resulting in negative perceptions about the company.

Corporate hypocrisy (CH) is defined as "the belief that a firm claims to be something that it is not" (Wagner, Lutz & Weitz, 2009, p. 79). CH is a perception that one may form when exposed to inconsistent corporate messages and managerial behavior. Researchers have studied perceived inconsistencies in reference to how these negatively affect consumers' attitude and beliefs about the firms (Wagner et al, 2009). Others explain addressing CH is important for companies to fulfill their competing stakeholders' demands (Brunsson, 2007). Therefore, most CH research has focused on firms' policies and behaviors, and their impacts on investors and stakeholders. However, little is known about the role of CH in management and employment settings in the retail industry. Therefore, the study was designed to explore (a) typical inconsistencies that retail employees observe between management messages and actions, and (b) how these inconsistencies affect employees' feelings and future employment intention.

Data were collected in spring 2015 via semi-structured interviews with sixteen apparel retail store employees. With open-ended questions, a semi-structured interview offers researchers in-depth responses and allows participants to lead discussion to unpredictable contexts (Wengraf, 2001). Each one-on-one interview was conducted for 30 minutes at locations convenient to the participants. Participants' experiences ranged from key-holders to sales associates to assistant store managers. They were all women, aged between 20 and 37. Interview data were transcribed and analyzed for recurring themes, indicating theme saturation.

Two themes emerged for the types of inconsistencies between: (a) supervisors' messages and actions; and (b) corporate policies and implementations. Through these inconsistencies, participants then felt distrustful, tricked, and betrayed. First, to participants, immediate supervisors represent a company, such that, when their actions differ from corporate policies,

participants perceive hypocrisy. Issues such as managers' penalizing employees for mistakes they themselves also do and practicing favoritism towards certain employees were some prime sources of management inconsistencies. Participants reported inconsistencies such as, "oh my gosh, if I would have done that, that would like a big deal [meaning I would get into trouble but the manager wouldn't]" or "you never ever have a base standard of what things are [because of the manager's inconsistent messages and behavior]." All of these instances resulted in a "terrible" feeling, and participants formed distrust toward both supervisors and their companies.

Participants also pointed out inconsistencies between corporate policies and implementations, such as depersonalizing shop floors ("initially they allowed pictures of kids for employees in the back room, but now anything personal have to go"), standardizing and mechanizing everything ("at first, you were allowed to decide for your store, but now every decision was laid out for you"), random performance evaluation ("last week we cared about ADS, but this week it's UPT, and next week again…"), and not holding to their promises ("they support work-life balance, but I can't take vacations that I am entitled to"). Therefore, they felt "so replaceable" and as though "you could drop anyone into the position." This is "when you start feeling like threatened." Ultimately, they felt "tricked" and "betrayed as it was so bizarre." Eventually, they "started breaking-down" and entering into a stage of "I don't care no more, I can't."

The study explored the impact of CH that the entry-level retail sales force may perceive through the inconsistencies between retail companies' messages and managerial actions, and their policies and implementations. Retail companies might need to improve business structure and encourage a consistent working environment. The study further presented an in-depth view into how these inconsistencies affect employees to an extent where employees struggle whether to continue with employment, develop aversions towards companies, or even quit their jobs. Retail managers might need to focus on such conditions to reduce employee turnover rates and to improve organization reputation. Future research opportunities include expansion to other corporate sectors to gain a holistic picture of employment problems of the industry.

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