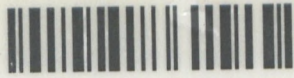


Employment status as a driver
of absenteeism and customer
satisfaction in a retail organisation

Randhir Singh

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Employment status as a driver of absenteeism
and customer satisfaction in a retail organisation

by

Randhir Singh

Thesis submitted in fulfilment of the requirements for the
degree: Doctor of Technology: Marketing

in

The Faculty of Business at the Cape Peninsula University
of Technology

Supervisor: Professor A. Slabbert

Cape Town

Date submitted: September 2012

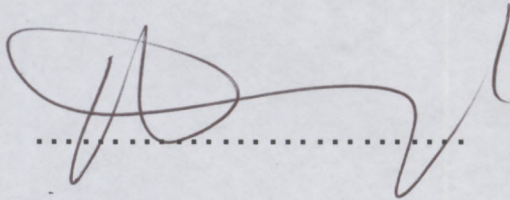
DECLARATION

I Randhir Singh hereby declare that

EMPLOYMENT STATUS AS A DRIVER OF ABSENTEEISM AND CUSTOMER SATISFACTION IN A RETAIL ORGANISATION

Is my own work and that all the sources that I have used and quoted have been indicated and acknowledged by means of complete references and that this document has not previously, in its entirety or in part, been submitted at any university in order to obtain academic qualification.

The information contained in this document is of a confidential nature, and may not be made public for a period of 10 years. Individual companies and stores are identified and hence all information contained in this document is to be treated as confidential



.....
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DATE

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10 / 04 / 2013
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.....
Professor A. SLABBERT

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SUMMARY

Secondary data sourced from the Kronos Time Keeping system and Human Resources department indicate that absenteeism amongst Pick n Pay employees are constantly increasing and it seems that management has adopted a laissez-faire attitude in response to rectifying absenteeism. This study has endeavoured to establish if staff absenteeism is rife in supermarkets, which employment status has higher absenteeism figures and does it affect customer services. The objectives of this study were to answer and find solutions to the research question and the multiple questions arising from the research problem: do the supermarket employees understand the impact of absenteeism to the organisation? Is management aware of the causes of high employee absenteeism? Do management have solutions to reduce the absenteeism rate? Do management know which employee status has higher absenteeism figures? What procedures can be adopted to reduce absenteeism? The overall effect of any solution should focus on creating a more absent free and customer orientated organisation. The empirical investigation was carried out through quantitative as well as qualitative research methodology. Absenteeism statistics were collected from the five participating supermarkets in the Western Cape human resources departments and were made available to the researcher as secondary data. Four different data collection methodology were used to conduct the enquiries in the five participating supermarkets.

The first enquiry that was conducted was the customer service surveys, which was conducted at all the five participating supermarkets. In the second enquiry the focus groups discussions were held at the participating supermarkets committee rooms. Each focus group comprised of eight customers who normally shop at the supermarket and two members of the store management. In direct observations (mystery shoppers) the third enquiry primary data was collected by the mystery shoppers directly observing the respondents in action.

The fourth enquiry was a trial programme which was conducted at Pick n Pay Atlantis family supermarket. Four different hypotheses were conducted in the study. The first hypothesis in the customer service survey tested:

Hypothesis 1: tests the difference between the stores day time and evening employees;

Hypothesis 2: tests the difference in how customers rate the various store employees for service levels;

Hypothesis 3: tests the difference between permanent and casual employment status with regards to absenteeism; and

Hypothesis 4: tests the difference between 2009 and 2010 employee absenteeism.

The results of the empirical investigation were compared to the relevant findings which emerged from the literature study. Based on the present investigation, the study was concluded by offering a range of recommendations to the management of the participating supermarkets, empowering them in addressing the phenomenon of absenteeism in their supermarkets.

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- My sincere thanks to Dr. R. Tengeh for his assistance;
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- Arvin and Sally Singh: For their assistance support and encouragement in completing my thesis;
- Pick n Pay, Elite Spar and Pick n Pay Atlantis Family Store: For granting me permission to conduct my research; and
- My wife, Cynthia and my children (Farryl, Demis, Karen and Samantha) who assisted, encouraged and inspired me to complete this project.

DEDICATION

I dedicate this thesis to my late parents, Ranjith and Jamnee Singh for believing in my abilities and without their love, support and parental guidance I could not realise my dreams.

GLOSSARY

Absenteeism	When employees are scheduled to work, but they do not make themselves available or report to work.
Bargaining unit employees	A group of non management employees working within the supermarkets
Kronos	Personnel time management system
Mystery shoppers	People whom are trained to act as customers and enter a supermarket to experience, and witness delivery of services. They deliver an objective assessment regarding their experience of their service delivery within a supermarket by completing questionnaires that is pertinent to that organisation.
Focus Groups	Focus groups are a groups of respondents usually approximately 7 to 8 people brought together to discuss issues or questions under the guidance of a facilitator. It is a qualitative data collection technique often used in market research. The composition of the group members usually depends on the purpose of the study and in some cases acts as an independent variable
Recession	A temporary economic decline during which trade and industrial activities are reduced.

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CHAPTER ONE

1.0 INTRODUCTION TO THE RESEARCH

Absenteeism is a phenomenon experienced by companies throughout the world. Some organizations have policies in place to restrict the abuse of absenteeism; however, others tend to ignore this issue. It is evident that companies choosing to ignore issues pertaining to absenteeism and will show adverse affects in costs, profitability and productivity (Yorges. 2007:10). Many books and journals have been published by renowned authors (Dyer-Smith and Wesson 1997: 515; McHugh 2001: 5; and Madslie 2004: 1) about ways to combat absenteeism and improve customer services in various industries, however there are very few relating to the retail industry. According to Gray (2005: 18), absenteeism affects the organisations bottom-line and few companies are prepared to anticipate the cost of this scourge. There are various reasons why this study must be conducted and some are as follows:

- Absenteeism impacts on service delivery and could result in loss of customers;
- Employee absenteeism is costly problem that affects the employer directly;
- Unavailability of employees greatly impacts decision making, higher work loads, and greater frequency of customer service errors; and
- Failure to achieve fiscal targets due to a myriad of factors amongst which absenteeism exacerbate the problem which may result in the implementation of cost saving measures such as retrenchments, and increase workloads on fewer employees.

Based on the researchers extensive experience working within a supermarket, currently his job entails monitoring staff working hours and attendance for the Pick n Pay supermarket group in the Western Cape region. The absenteeism data available to the researcher alarmed him of the high absence number prevalent amongst non management employees.

The researcher works as a Kronos coordinator in the Western Cape region and his function is to monitor and inform corporate store managers about their stores' labour costs and effectiveness and efficiency of the staff's productivity levels. The Kronos system which is in use at Pick n Pay, is a time management system for the non-management and management employees. The system monitors and records various types of data including absenteeism, sick, and leave days, hours worked and employee productivity which is calculated from the data which is available from this system. It has become noticeable that the non-management staffs is under increasing pressure to provide a high quality of service whilst management appear to be ignorant of the situation and are not providing enough support to their employees. Moreover, it is also the perception of the researcher that employees work load currently ensure that very few service employees have time to become acquainted with customers. As a result there is minimum communication between customers and employees, making successful consumer retention strategies for supermarkets immensely difficult.

Furthermore, on discussing the occurrences of absenteeism in supermarkets with the stores management team in various supermarkets in the Western Cape, it has become apparent that measures for dealing with absenteeism are failing for various reasons. Secondary data sourced from the Kronos system and Human Resources department verify that absenteeism amongst the non management employees is high and on the increase. Through the researchers twenty eight (28) years of working in the retail industry, it was noticed that the phenomenon of absenteeism is fuelled by factors which lure employees to be habitually absent without authorisation from their work environment. These pull factors are identified amongst others as, alcoholism, HIV /AIDS, stress and depression, job satisfaction and laissez-faire management style. Employee absence from the workplace can be categorised into scheduled and unscheduled absences. Scheduled absences is budgeted by the employer and some of the scheduled absences may include annual and sick leave, maternity and compassionate leave. Research conducted by AIC Insurance Group on absenteeism in South Africa confirms that absenteeism is reaching staggeringly high levels, and could cost the

country's economy as much as R12 billion per year. Although this monetary value suggested in a recent study conducted by AIC Insurance Group, might sound very high, it is not, and if the direct and indirect costs associated with absenteeism is taken into account. Their research has shown that on average approximately 4,5 per cent of the workforce is absent on any given day. However, depending on the company, this figure could be as high as 18 per cent. These figures represent considerable losses to any company and it is alarming that not many South African companies have implemented any measures to combat the phenomenon of absenteeism.

There seems to be a widespread acceptance by management that not much can be done about absenteeism. Although indications are that absenteeism is on the increase, the great losses incurred by companies, the perception out there is that not much can be done to tackle the problem; the companies cannot afford the luxury of such views any longer. Whatever the causes, absenteeism is costing the country and its businesses heavily and needs to be addressed immediately. Many employers choose to disregard the possibility that there may be issues in the workplace causing poor performance and absenteeism. It makes sound economic sense to address any such issues and pro-actively encourage enhanced employee performance. Human resources today are considered extremely expensive, so companies need to optimise the productivity levels of their workforce if they are to remain competitive in the market place. One of the key drivers of a successful company is a motivated and productive workforce. Motivated employees work harder and smarter, resulting in improved productivity and customer satisfaction. Thus it is imperative that companies investigate absenteeism.

1.1 STATEMENT OF THE PROBLEM

Secondary data emerging from the Kronos Time Keeping system and Human Resources department indicates that absenteeism amongst Pick n Pay employees is constantly increasing and management seem to have adopted a laissez-faire attitude in response to rectifying the absenteeism behaviour of the employees (personal observation of the present researcher).

With the company's customer satisfaction policy and their pledge to all employees in place, it is not understood why the secondary data indicate a dramatic increase in employee absenteeism. This study has endeavoured to investigate the causes of absenteeism and its effects on customer services.

1.1.1 Main Research Question

- Does employment status influence absenteeism and customer services?

1.1.1.1 Sub Research Questions

- Which employee status has a higher impact on absenteeism and customer services?
- Is there a significant difference between the absenteeism rate of full time and casual employees?
- Is there a significant difference in the absenteeism rate of the casual employees (the control group) between 2009 and 2010?
- Is there a significant difference in how customers rate the employees from the various stores?
and
- Is there a significant difference between day time and evening employees with regards to the quality services that they render?

As indicated by Yorges (2007) and Gray (2005) absenteeism affects all companies and ignorance towards this phenomenon affects the company's bottom line. Thus, it becomes imperative that this scourge is tackled and bring the company's profitability levels in line with their objectives.

1.2 CONTRIBUTION OF THE STUDY

This study aimed to gain an overall understanding into the causes and effects that absenteeism has on customer services in the selected retail stores. Understanding why absenteeism exists and its effects on customer services could provide the retail industry with valuable information to overcome the effects of absenteeism on customer services. This could assist in enabling the implementation of policies, remedial action and strategies in the supermarkets. This could also reduce the effects of absenteeism on delivery and thus, making the organisation more profitable, efficient and deliver a world class service level to their customers.

Unscheduled absences would be for incidents which are not planned and budgeted by the organisation. To effectively manage absenteeism, companies must have policies and procedures in place that govern the organisations expectations on its employee's behaviour during their absence from work. Employees must be made aware of the existing company rules and everyone is treated fairly, consistently and without discrimination. An often read and heard phenomenon that modern day economics are dominated by services in the world. According to the CIA World Fact Book (2007) service sector in South Africa employs approximately sixty five percentages (65%) of the working population and its contributes 65.3% (2008) estimate of the total 489.7 billion dollar gross domestic product (GDP) of South Africa (SA). The CIA world fact book indicates that the S.A GDP grew at a rate of 2.8% in 2008. As the services industries combine to evolve and become more competitive, the need for effective service management and marketing strategies still exists. The primary objectives of companies are to provide offerings that satisfy consumer needs and expectations, thereby, ensuring their economic existence. For this objective to be achieved, it becomes necessary for organisations

to understand how consumers evaluate their services. The companies are realising that a large percent of their profits and revenues are generated as a result of the services rendered to the consumer.

Zeithaml and Bitner (2000: 4), defines customer services as “the service provided in support of a company’s core products.” Jones (2004: 46), advocates that some of the key drivers of customer services will ensure superior services in retail organisations are, efficient staff with thorough product knowledge, and the employees ability to provide speedy service. They also form the basis for customer services and which could take the form of tangible or intangible services. Against this backdrop the researcher is motivated to investigate the absenteeism numbers between the permanent and casual employees in the participating supermarket. This study is representative of Pick n Pay corporate supermarkets, Elite Super Spar and Pick n Pay Atlantis Family supermarkets employees working in the Western Cape region. This study determined the following:

- Determined which employment status has higher absenteeism numbers between the permanent and casual employees;
- Implemented new approaches to reduce absenteeism and improve customer service by changing the employment status of all casuals in the Trial Store (Atlantis Store) to temporary permanent employees and introducing management to new approaches to management;
- Minimised the effects of employee absenteeism on the organisation by identifying solutions to manage staff absenteeism for example re-examining absenteeism policies; requesting management to constantly review absenteeism records and establishing a centralised system to collect data; and
- Understand the causes and effects of absenteeism;

1.3 OBJECTIVES OF THE RESEARCH

Research into absenteeism should seek to identify the underlying causes with a view to developing more effective solutions for managing the effects of absenteeism and customer services.

The overall effect of any solution should focus on creating a more customer orientated organisation.

The objectives of this study were as follows:

- To understand the scale of employee absenteeism within supermarkets;
- To understand the causes and effects of absenteeism;
- To determine whether casual (part time) or full time employees exhibit higher absenteeism;
- To determine whether changing the status of an employee from casual to full time can lower the level of absenteeism significantly;
- To highlight similarities and differences in absenteeism levels in absenteeism levels between supermarkets; and
- To propose a solution to absenteeism for organisations within the retail industry, with the hope that this will implicitly lead to improved customers service.

1.4 DELIMITATIONS OF THE RESEARCH

This study has been undertaken primarily to measure the levels of absenteeism and employment status in some retail supermarkets of the Western Cape. In addition to this, it was deemed necessary to provide an overview of the levels of customer service within these organisations. The stores participating in this research include three Pick n Pay corporate stores with the highest absenteeism figures, Elite Super Spar and Pick n Pay Atlantis family store.

1.5 RESEARCH METHODOLOGY AND DESIGN

1.5.1 Research Design and Plan.

Welman and Kruger (2001: 2), state that research involves the application of various methods and techniques to create scientifically obtained knowledge. Research Methodology can be related to a project which is structured around a start and end date. The study is segmented into work breakdown structures prioritising the important tasks and the timeframe to complete the given study. There are two types of research methods available to the researcher, quantitative and qualitative research methods both are important and were included in this study. The quantitative research method requires numeric responses from the samples whilst the qualitative random variables yield non numeric responses.

Figure 1.1 the Research Process (developed by the researcher)

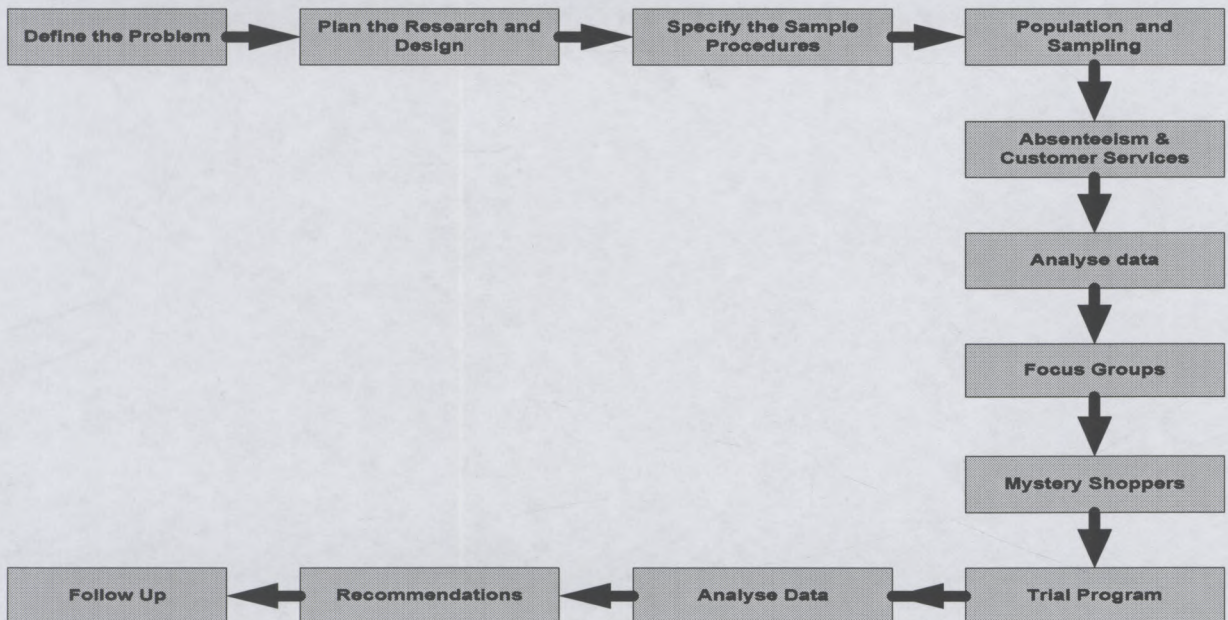


Figure 1.1 the research process is a schematic presentation of the research methodology.

This study followed the schematic presentation of the research process indicated on Figure 1.1. Secondary data obtained from the Human Resources Department indicated that employee absenteeism at the Pick n Pay supermarkets in the Western Cape was increasing at an alarming

rate. The research design adopted a qualitative and quantitative approach, because of the different survey methods utilised in this study:

- The methodology used in this study were customers service surveys (questionnaires), focus groups, mystery shoppers and a trial programme;
- The customer service surveys (questionnaire) sample number was 500 customers shopping at the five participating stores. The data obtained from the s surveys was used to test for differences using the chi-square and t-test statistical analysis. The following hypothesis was tested:

Hypothesis 1: tests the difference between the stores day time and evening employees;

Hypothesis 2: tests the difference in how customers rate the various store employees for service levels;

- The focus groups comprised of two store management, eight customers, and a store manager from a different store was the facilitator. The objective of this group was to answer question directed by the facilitator and comment about customer services by the employees in each of the five participating stores. Each store has had its own focus group discussion;
- Mystery shoppers posing as customers were utilised to evaluate employee service levels at each of the five participating stores;
- A trial programme was conducted at Pick n Pay Atlantis family store with the aim of determining if the permanent or casuals have a higher absenteeism figures and to find solutions to reduced absenteeism in the trial store. The data obtained from the absenteeism records were used to test for proportional differences using the chi-square. Two sets of hypothesis were tested. The first hypothesis tested was:

Hypothesis 3: tests if there is a difference between permanent and casual absenteeism;

Hypothesis 4: tests if there is a difference between 2009 and 2010 absenteeism.

- The data arising from the trial programme was analysed and forwarded to the stores management for consideration. The trial store management was informed that a follow up visit will be conducted after six months to analyse the data and see if there was improvement in the absenteeism figures at the store; and
- Recommendations were suggested ways to reduce employee absenteeism.

The quantitative and qualitative research methods were chosen. because it is designed to numerically measure and describe the nature, attitude and behaviours of customers. Quantitative data also provide managers with broad inferences about customer groups and the results provided a check on customer satisfaction. Furthermore, it provides management with a yardstick to measure and improve company performance. Quantitative research is important because it assist in assessing and improving s. Qualitative research methods used in this study are focus groups (informal conversations with individual customers and management) and mystery shoppers (direct observations of service transactions). According to Zeithaml and Bitner (2000: 111), qualitative methods normally play an important role in designing quantitative research.

1.5.2 Population and Sample

The sample size was 500 customers shopping at the five participating supermarkets in the Western Cape. Every attempt was made to equalise the number of surveys that was conducted in the morning and afternoon. The samples were selected randomly and the customers' profiles included gender, age, ethnicity, race, income and education. The surveys (CSS) were conducted at different timeframes over a three day period. The first interview with the customers was conducted between 10h00 and 15h00. The second surveys with the customers were conducted between 16h00 and 19h00. The duration of the questionnaires were determined by the respondent's time constraints. They were given the opportunity to choose between open or close ended questions. The estimated time of the process was between twenty and thirty minutes and English medium was the official language.

1.5.3 Data Collection Instruments, Services and Procedures

This study investigated the absenteeism numbers between the permanent and casual employees and s in the five participating supermarkets. There is no official instrument to measure absenteeism, but the data is readily available. Absenteeism data was collected from the Human Resources department of the participating supermarkets in the Western Cape and these data were made available to the researcher as secondary data. The data received from the stores were from the period 2009 to 2010. Data for statistical analysis is available from many different sources and these could be classified as internal and external sources, furthermore, this data was also obtained from primary and secondary sources.

According to Wegner (2000: 7), primary data sources can be collected from direct observations (mystery shoppers), personal interviews, and are generated at the point where it is obtained and is captured for the first time with a purpose in mind. The advantages of primary data are that it is relevant to the problem at hand and furthermore, offers greater control over data accuracy. The disadvantages of primary data are that they are time consuming and expensive to collect. In addition, Wegner (2000: 15), stated that in direct observations (mystery shoppers) primary data can be collected by directly observing the respondent in action. The advantage of this method is that the respondents are not aware of being observed and therefore behaves in a normal way. This reduces the likelihood of gathering biased information. The disadvantages are that there is no opportunity to probe for reasons or investigate employee behaviour any further. In addition, Wegner describes the questionnaire method as the most common form of data collection in the field of marketing and market research. Two different sets of customer service surveys were conducted the first survey (questionnaire) conducted adopted the Likert 2 scale (Agree or Disagree). The second survey adopted the Likert 5 scale (Strongly Agree; Agree; Neutral; Disagree and Strongly Disagree). In this questionnaire 150 surveys were conducted. The questionnaires were completed through face to face contact with the respondents. Therefore the advantages are higher responses achieved, data collection is

immediate and greater data accuracy is achieved. The disadvantages are it is time consuming and requires trained interviewers.

Focus groups are about 7 to 8 people brought together to discuss issues or questions under the guidance of a facilitator. It is a qualitative data collection technique often used in market research. Focus group discussions were held at the five participating supermarkets. The composition of the group members were customers who normally shop at the supermarket and store management, their responses were included as independent variable for this study. In addition, a trial programme was conducted in a chosen participating supermarket to determine if there are high levels of absenteeism. Based on regular consultation with management; it appears that absenteeism particularly amongst casual employees is rapidly increasing. To investigate the nature of casual absenteeism a trial programme was conducted at Pick n Pay Atlantis family supermarket.

The aim of this study was to investigate the absenteeism numbers between the permanent and casual employees in the participating supermarket. Secondary data obtained from the Human Resources department of Pick n Pay Atlantis indicated that absenteeism amongst casual workers is the highest amongst all employees. The management of Pick n Pay Atlantis had therefore, agreed to use their store to conduct the study. The study was conducted over a six month period. The timeframe was chosen to allow minimal disruption to the business. The Atlantis stores secondary data indicated that casual employees had a high absenteeism figures, a possible consequence could be that these employees are allocated the late shift. This shift is not pleasant to work as it disrupts their social

lives. The permanent employees work a regular shift and they also have the opportunity to work overtime should any of the casuals be absent. All employees were informed about the research and were requested to register their approval by signing consent form. The aim of the study was to convert all casual employees to permanent status for a probation period of six months. During this period all employees had to work two weeks early and late shifts per month on a rotational

basis. This afforded the casual employees the opportunity to have a better social life and to work overtime. The rationale behind this approach was to assist in reducing absenteeism and thus, improve customer services.

According to Wegner (2000: 14), secondary data sources are normally collected for a purpose other than the problem at hand. This type of data is already in existence within and outside the organisation. The advantages are that the data is already in existence, excess time is short and it is cheap to acquire. The disadvantages are that they may not relate to the problem at hand and it may be difficult to access data accuracy. An internal source makes reference to data that is available from within the organisation. The internal data can be gathered from the various departments' e.g. financial, production, human resources and marketing departments. The external data source refers to information gathered from outside an organisation. The sources of external data can be private institutions, trade organisations, employee and employer associations, profit motivated organisations and government bodies. In this study only internal data were used as secondary data. For the purpose of this study the researcher adopted the qualitative and quantitative random variable and the primary data collection method was the CSS, focus groups and mystery shoppers. The chi-square and t - test statistical analysis was used to analyse the data for this study. Chi-square statistic is a measure commonly utilised to test the hypothesis on results of a random variable in a population. The chi-squared method was used to test for proportional differences, also better known as testing for independence and the t – test was also used to test for proportional differences.

1.6 ETHICS STATEMENT

In order to lend ethical consideration to the empirical study, certain measures were considered. This study was done by obtaining permission from all relevant stakeholders who were involved in the investigation such as Pick n Pay, Spar group, participants in interviews, focus groups and mystery shoppers. The respondents to the s surveys were assured of confidentiality throughout this

study process and presentation of the results. The management of the participating supermarkets were also assured that all information gathered for the purpose of this study, will at all times, be regarded as privileged information and used for academic purposes only, and that it will not be made public without the organisation's written consent.

1.7 RESEARCH ASSUMPTIONS

After preliminary research and consultation with experts in the field of absenteeism and consumer services within supermarkets, this study assumed that:

- Generally, there is very little management control over their subordinates working in supermarkets; and
- In line with the above assumption it may have resulted in becoming one of the main reasons why absenteeism amongst employees is very high in supermarkets.

The reason for these assumptions is that they are critically linked to the performance of the company. Even though the present study will not empirically assess this it needs to be pointed out that these assumptions are the heart of the malaise affecting the retail industry as a whole.

1.8 CHAPTER BREAKDOWN

Chapter 1 provides an introduction to the background of the research problem and furthermore, contextualises the research to be undertaken. Absenteeism has become a worldwide phenomenon in organisation. Therefore, to eliminate compliancy amongst managers and achieve world class standards and maintain a competitive advantage over their competitors, moreover, research has to be conducted about employment status as a driver of absenteeism and customer services in selective retail organisations.

Chapter 2 provides an overview of the consulted literature relevant to the scope of this investigation. A wide range of current literature that originates from diverse parts of the globe has been consulted to obtain a broad perspective of what is viewed as absenteeism and s.

Chapter 3 is devoted to the two target organisations; Company 1 (Pick n Pay) and Company 2, (Super Spar) and Pick n Pay Atlantis franchise supermarket in the Western Cape region as the subjects.

Chapter 4 is devoted to Research Design and Methodology. The approach to this study was quantitative and qualitative by nature and was based on empirical research methods. The research tool that was used to gather information was s surveys (questionnaires), focus groups discussions between customers and management because this measuring tool can differentiate between the levels of services rendered by the different categories of employees on duty, mystery shoppers and a trial programme.

Chapter 5 reports the results and findings of the fieldwork and describes and summarises the findings in table and figure format. The findings are also analysed, interpreted and relate to the theory and literature discussed in previous chapters and provides the connection between the findings in the case study.

Chapter 6 discussion and recommendations are offered with regards to the adaptation of the findings.

1.9 CONCLUSION

In this chapter, an exposition of the main research problem, sub-problems and the aims of the investigation have been presented. The next chapter provides an overview of the consulted literature relevant to the scope of this investigation on absenteeism and customer services.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Secondary data sourced from Human Resource department and the Kronos Timekeeping system indicates that absenteeism is on the increase amongst Pick n Pay employees. This study has endeavoured to establish if absenteeism is rife in the supermarket sector. A multitude of questions arises from this study; do the supermarket employees understand the impact of absenteeism on the organisation? Is management aware of the causes of high absenteeism and do they have solutions to reduce absenteeism? Do management know which employee status has higher absenteeism figures and what procedures can be adopted to improve absenteeism?

Research into absenteeism and s seeks to identify the causes with a view to developing effective solutions. Employee absenteeism is affecting company's productivity and profitability throughout the world across different industries. The overall strategy of organisations must focus on creating a more customer orientated organisation. Thus, this study hopes to establish the absenteeism numbers between permanent and casual employees working in the participating supermarkets. It endeavoured to find new approaches to improve absenteeism and s and identifying possible solutions to manage absenteeism in the supermarket sector. Moreover, it tests management understanding of the causes of absenteeism and to highlight the similarities and differences in levels of absenteeism between supermarkets.

2.1 CONCEPT OF SELLING AND SALES

2.1.1 Definition

A sale is the activity involved in selling products or services in return for money or some other form of compensation. The seller who is the provider of goods or services completes a sale in response to a request by the buyer. The next item on the agenda that follows is the passing of the product to the buyer and payment of the goods to the seller. The seller agrees upon a price of the product or services at which he willingly passes ownership to the buyer. A sale can take place through direct sales involving person to person contact; agency based utilising sales agents for example, real estate or in manufacturing. Other forms of selling may include travelling salesman, business to business transactions, self service, indirect and electronic means (Petersen, 2008:174).

Greening (1993:23), suggests that sales means the exchange of goods or services between buyer and seller. In addition, the author indicates that that selling on the other hand is offering to exchange something of value for something else. According to Lamb, Hair, McDaniel, Terblanche, Elliott and Klopper (2010: 8), sales means that a buyer gives up something of value to a seller, in turn receive something that he/she would rather have. In addition, for the exchange to take place five conditions must be satisfied and these are as follows:

- There must be at least two parties present (buyer and seller);
- Both parties must have something that they require;
- Each party must be able to communicate with each other and deliver the goods and services required by the other party;
- Each party must be free to accept or reject the other parties offer; and
- Each party must want to deal with the other.

In addition the authors indicate that sales takes place within what is called a market. A market consists of people and organisations with needs and wants with financial resources to purchase the goods. According to Byrd (2001: 1), selling consists of the sale of merchandise from a fixed location for example from departmental store and kiosk or by mail in large and small quantities for consumption. The consumers may be individuals or business. Retailers generally buy goods in large quantities from manufacturers, importers and wholesalers and sells small quantities to the consumer. Retailing is at the bottom of the supply chain and supermarkets maybe located in business or residential areas. The word shopping generally refers to buying products on sale. Shopping is normally conducted when the consumer needs necessities to purchase e.g. foods or clothing. According to Hopkins, Dalrymple, Cron, DeCarlo and Horvath (2008: 2), everyone sells something, whether sales involves a refrigerator or an idea for a refrigerator improvement, selling occurs all around every day. In addition the authors state that at some point you are involved in a selling situation of some kind.

Various authors (Greening (1993); Byrd (2001); Hopkins et al (2008); Petersen(2008) and Lamb et al 2010) indicate that sales occur when there is exchange of something valuable between two persons. In contrast the researcher believes that sales also occur in lieu of favours due between two parties.

2.1.2 History of Global Sale and Selling

According to Byrd (2001: 1), indicate that in the ancient world, trade flourished due to some people having surplus goods and they have a desire to obtain other products which they could not produce. They sell their surplus products to obtain these requirements. Byrd stated that the earliest traders were Cretans who sailed the Mediterranean seas to trade with the people in the area. The Cretans were followed by the Phoenicians' as major traders. The Phoenicians' were succeeded by the Romans, they developed an improved version of retailing. The Romans set up numerous small shops for trade. Byrd stated that the ancient ruins bears testament to the improved version of

retailing. Furthermore, the author reveals that the world's first departmental store was built in Rome and the fall of the Roman Empire resulted in the disintegration of retailing. After the demise of the Roman Empire, the only retailers were peddlers, they moved from village to village with their goods on their backs selling their products.

During the 13 century, fairs and markets flourished, with the fairs adopting a religious grounding. On feast days, people would gather at the church to exchange goods. During this period large markets were also referred to as fairs attracting a diverse range of customers from distant places to trade. The fairs today are basically entertainment avenues (<http://www.suite101.com.cfm/retailing>).

Byrd stated that the trade theory was based on the human desire for food, water and shelter. While another reason for trade could be based on human's aggressive behaviour for attaining other goods and services. Furthermore, it has been suggested by the author that people who has more than adequate food to consume sold their surplus to other people for financial gain. Whatever the reason, humans have adopted this trade system which assisted some of the people to improve their quality and status in life (Byrd, 2001: 1). Many American institutions originated before the year 1850, and prior to this date the Americans lived in farms and were self sufficient. The only traders during this period were peddlers and general stores. According to Byrd (2001: 1), the first men's clothing store was opened in Columbus, Ohio in 1851 by Simon Lazarus an immigrant from Poland.

Spiro, Rich and Stanton (2008:44), indicated that independent peddlers were the dominant form of salespeople in the United States during the first century. The peddlers in the United States resembled their counterparts in Europe for centuries. They worked for themselves travelling the length and breadth of the country selling pots, pans, brush ware, clocks, medicines and other small goods which were carried in their trunks or wagons.

Peddlers sold their goods directly to consumers who were mostly farmers with the majority of the people living and working on farms. The peddler profession was not respected because they looked like very shady characters from various parts of the country selling their goods. To become a peddler required very little investments but a huge resolve to travel the country.

The development of the United States economy in the late 1800's resulted in the emergence of the manufacturing sector in the country. To gain added sales and profitability, most of the manufacturers established their own sales force to sell their goods. The sales force consisted of salespersons known as canvassers, and they were paid on a commission basis and received no salary. Like the peddlers they went from door to door selling their goods. They would normally sell a product line from the manufacturer, unlike the peddler who carried and sold a variety of goods. For example, large book publisher's hires sales people that are called book agents. These agents are similar to canvassers except that women were more likely to become agents (McMaster, 2001:11).

Towards the end of the 19th century manufacturers distributed their goods to large wholesale companies. The wholesale company hired travelling salesmen called drummers, to sell their goods to retailers and general stores. The drummers were usually paid a mixture of salary and commission. The drummers built an understanding with the store owner, which was enhanced on trust, reliability and likeability. The typical drummer was very entertaining with seemingly endless number of jokes and stories and the key to their success was their personality. The authors indicated that in the 1920's the drummers were replaced by the modern sales force. The advancement of technological in transportation greatly increased reliability and efficiency of distribution (Spiro, Rich and Stanton, 2008:45).

Some of the different approaches adopted in sales today are person to person selling, telemarketing, direct mail, e-mail and internet.

- **Person to Person selling:** is conducted worldwide and is the most popular type of selling in the world. A salesperson talking to a customer face to face has the advantage of being able to apply many different senses during the conversation. The customer can possibly touch, smell, and hear the product on sale. The face to face approach has an advantage of engaging the customer in the sale process;
- **Telemarketing:** is an approach that salesperson can use to contact potential customers by telephone. The telephone is a means of connecting a diverse range of people. The advantage is that large audiences can be reached in a short space of time. One of the many disadvantages is that the customer has to answer the phone and the seller must immediately engage with the customer about the product;
- **Direct Mail:** most of the direct mail the customer receives is designed to sell the recipient something for example, a coupon for a local restaurant designed to provide you with supper/lunch. A clothing catalogue sent to entice you to shop at their shop. A flyer from politicians encouraging you to vote for them;
- **E-Mail:** many companies have found that e-mail approach works for them because it likely to reach the intended recipient. E-mail is deemed as personal territory; and
- **Internet:** Selling via the Web Sites has created global opportunities for people wanting to sell goods. The seller can locate his head office anywhere and has the ability to reach millions of people. Customers can visit the company's website at anytime of the day or night.

According to Pride and Ferrell (2010: 94, there are many selling techniques exists in the market place, today. The above mentioned selling approaches are the most popular in today's South African environment. In the next section the introduction to trade, sales and selling is discussed.

2.1.3 Introduction to Trade, Sales and Selling in South Africa

According to Feinstein (2005: 1), in 1652 a permanent European settlement was established in the territory currently known as South Africa by the Dutch East India Company. Their original plan was to establish a refreshment station because malnutrition, especially scurvy, vitamin C deficiency amongst the sailor arising from a lack of fresh fruit and vegetables, was a problem that affected the human resources capital of the Dutch East India Company which was plying their trade between the Netherlands and the Dutch East Indies (modern Indonesia). To safeguard their employees against these health problems, the Company established a vegetable garden at the foot of Table Mountain and bartered cattle from the Khoikhoi to supply the companies passing ships. However, the arrival of permanent European settlers to the Cape triggered profound evolution of the inhabitants. The Europeans decimated the San driving them to the Kalahari Desert region and virtually destroyed the Khoikhoi people as a struggle for land commenced. The Khoikhoi became farm workers and their identity merged with other groups. Land hunger led to wars between the Bantu and settlers, which triggered their migration of settlers eastwards from their original settlement areas in Cape Town seeking new pastures. Between the wars, commerce developed between the settlers and the indigenous peoples resulting in the sales of produce and live stock and the development of a black, landed peasantry.

The Europeans meanwhile imported slaves from Malaysia as artisans their skills contributed to the clothing industry becoming a major industry in the Cape today. There were other nationalities of people migrating from Europe to Cape Town. The persecuted Huguenots from France turned their hands to wine production and Germans and British grew the nascent industrial base and developed modern farming methods. The province of Natal, a British colony was found suitable for sugar production but the local Zulu tribes could not be attracted as cane cutters. Indentured labour was brought from India. The descendants of these labourers play an active role in commerce and

industry today. The original form of trade was barter, which relates to direct exchange of goods and services between two parties. Most transactions were generally negotiated through a medium of exchange, such as money. In addition, the author indicates that the invention of money simplified and promoted trade. Retail trade consists of the sale of goods or merchandise from a fixed location such as a departmental store, boutique or kiosk (<http://www.historyworld.net>).

Watson (2005: 2), concluded that trade originated with the start of communication in prehistoric times. Trade was the main function of prehistoric people who had bartered goods and services from one and another before the evolution of modern day currency. According to Irwin (2001: 1), the theory of trade and commercial policy is one of the oldest form of economic thought. Trade is the transfer of ownership of goods and services from one person to another. Trade is sometimes referred to as commerce, financial transactions or barter and a network system that facilitates trade is referred to as a market. Furthermore Irwin (2001: 3), stated that some "economists have related trade to technological progress, although some narrow interest may be harmed, the overall benefits are substantial".

South Africa Online also indicate that the formal economy of South Africa has its beginnings in the arrival of the Dutch settlers in the 1652, these settlers were sent by the Dutch East India Company to establish a provisioning station for the passing ships. The size of the colony increased with the arrival of the French Huguenots and Germans citizens, some of the colonists were set free to pursue commercial farming, leading to the dominance of agriculture in the economy. In the year 1870 diamond was discovered in Kimberley and in 1886 some of the world's largest gold deposits were discovered in the Witwatersrand region of Transvaal. South Africa has a large agricultural sector, contributing about 10 per cent of formal employment. Although the farming sector is relatively well developed, people in some rural areas survived on subsistence agriculture (https://www.southafrica.co.za/agriculture_29.html).

The world is becoming services-dominated economy is the main characteristic of developed countries. In less-developed countries most people are employed in primary activities such as agriculture and mining. The proportion of the world economy devoted to services grew steadily during the 20th century. In the early 21st century, service industries accounted for more than three-fifths of the global GDP and employed more than one-third of the labour force worldwide. The simplest explanation for the growth of service industries is that goods production has become increasingly mechanized. Because machines allow a smaller workforce to produce more tangible goods, the service functions of distribution, management, finance, and sales become relatively more important. Growth in the service sector also results from a large increase in government employment.

According to Klopper, Brendt, Chipp, Ismail, Roberts-Lombard, Subramani, Wakeham, Petzer, Hern, Saunders and Meyer-Smith (2006: 58), South Africa is blessed with mineral resources especially gold, platinum and uranium. However mining has damaged the natural environment by destabilising the land with polluted water from mining activities. The country's most strained resources are water and land. Land has become overgrazed and over cultivated by commercial farming. In addition Klopper *et al.* (2006: 60), states that globalisation resulted in countries becoming dependent on each other's technologies, economies, raw materials and finished products. At the same time increasing the amount of competition organisations has to deal with. South Africa's experience in fields such as mining, exploration for minerals, oil from coal technology and veterinary science has produced many innovations that are exported to countries requiring them. Innovations are changes in something that already exists, they happen when people introduce new methods and ideas for products that are ideal for exporting.

Statistics South Africa indicates that the country's trade balances provides information about their international trade and direct comparisons can be made between the country's imports and exports. The result of this comparison has a direct correlation between the country's productivity and their progressiveness of the people. A major phenomenon in the evolution of the distribution sector in

South Africa has seen the emergence of supermarkets or hypermarkets, which sell large quantities of almost all consumer goods on a self-serve basis. The hypermarkets, located in suburban shopping centres, have disrupted the traditional distribution chain by purchasing directly from manufacturers and bypassing the wholesaler, achieving high turnover with low margins on the products, thereby placing price pressure on all competing outlets. Though there is a growing black middle class with considerable disposable incomes, there are still huge differences in income in South Africa with 20% of households accounting for 60% of the country's income. The big South African consumer market is split in two parts: a market of white people and newly affluent black people with a high purchasing power, and a market of large majority of black people still with a very limited purchasing power. The majority of the retail sale is carried out by shopping centres, groups of small shops, big department stores (Stuttafords, Edgars, and Woolworths), supermarkets (Checkers, Pick' n Pay) and hypermarkets (Hypermarket and Makro). Developed businesses outside the conglomerations, does not represent a big market share, as it is almost exclusively cater for the poor population. The hypermarkets located in suburban shopping centres have affected the traditional distribution chain by purchasing directly from manufacturers and bypassing the wholesaler and passing the discounts directly to the consumer (www.statssa.gov.za).

In South Africa, selling products directly to individuals on a personal one-on-one basis by freelance agents are fast becoming a multi-million dollar industry. The number of direct sellers involved with direct selling is 730,000 with annual sales of 4.3 Billion Rands. Online purchases are also growing, although people still use the internet to get more information than to make purchases. At the same time, M-commerce is undergoing a strong evolution (www.worldwideworx.com). According to Moorad (2011: 13), cyber shopping is becoming a haven for the "time poor, technology savvy" digitally aware South African consumers in search for convenience. On line retail sales in South Africa that generated the most revenue are groceries, electrical appliances and clothing. The players dominating on line sales are Pick n Pay, Kalahari. net and Woolworths. Furthermore, the journalist cited World Wide Worx managing director Author Goldstruck indicated that on line retail sales in

South Africa has been increasing consistently for the past five years at a rate of between 30 and 35 per cent and has passed the two billion Rands mark last year. In addition, Goldstruck noted that about 3, 6 million people are using the internet of a population of plus 48 million and only 1.8 million people were shopping on line.

World Wide Worx indicates that new research published online retailers are becoming substantially more bullish in 2011, and online retail in South Africa seems to have moved into a cycle of sustained acceleration. The research reveals that the total spent on online retail goods in South Africa surpassed the R2-billion mark in 2010 for the very first time. Turnovers increased to R2.028-billion, growing at 30% over the previous year. The industry consensus on online sales is pointing towards a 40% growth for the year 2012 which will signify the highest rate o computers and this f online retail growth in South Africa in almost a decade. The principal analyst of World Wide Worx MD Arthur Goldstuck mentioned "that the extraordinary surge in online retail comes in the wake of a constant rise in the volume of knowledgeable internet users in South Africa" (www.worldwideworx.com).

Stats SA indicate that there were 3.6-million people who have shopped online for five years or more and by 2015, this figure will most likely be 6.8-million – pretty much double the potential e-commerce market of today." In addition, conventional physical retail in South Africa reached R561-billion in 2010, as outlined by Stats SA. This means that online retail still accounts for less than half a per cent of total retail in SA a miniscule 0.36%, however, the growth rate of online retail in South Africa in 2010 ended up being four times that of physical retail sales (www.statssa.gov.za). The unfortunate situation is that the masses in South Africa cannot afford computer and this handicap the cyber revolution. Progress in this avenue will be tedious and slow until the citizens and country prosper.

2.1.4 Trading Partners and Consumers

The international trading partners of South Africa, beside other African countries include Germany, United States, China, Japan, United Kingdom and Spain. Chief exports include corn, diamonds, fruit, gold, metal and minerals sugar and wool. Machinery and transportation equipment make up more than one third of the countries imports. Other imports include chemicals, manufactured goods and petroleum (<http://www.hrw.org/reports/2001/safrica2/>).

According to Spiro, Rich and Stanton (2008:57), several strategic trends have emerged in the past decade shaping the strategy of sales organisations. The authors state that internet has had a significant influence on sales strategy, and indications are that organisations have been slow in grasping how best to adopt these sales advancement strategies. In response to competition and changes in customer purchasing habits, many organisations are adopting multiple sales channels to reach a broad customer base to introduce their products. South African consumers have a variety of ways to purchase products while they are in their homes. Some of the ways include using the internet, catalogues and television. Television shopping offers consumers the prospect of developing a para social inter action with customers. It also facilitates the creation of interpersonal relationships between host and viewers adopting a face to face gestures and direct sales of products. The shows are broadcast twenty four hours a day and products are presented in one hour slots focusing on a range of diverse products (Fritchie and Johnson, 2003: 249).

According to Durham (2010: 13), South African consumer continue to seek products that deliver good taste, health and convenience when purchasing processed foods for their needs. To meet these consumer requirements, suppliers and retailers have stepped in with product innovation, promotions and consumer education. While frozen foods has been tainted with the stigma of being less healthy, strong advertising campaigns have emphasised the fact that freezing the product locks in the goodness. Durham indicates that major shift in consumer buying patterns shifting to more

value added offerings of frozen mixed vegetables. Furthermore Durham indicated that the Euro monitor suggested that consumers are moving towards products that require very little involvement from them during the cooking process and ones that are versatile during the application. In addition, Durham (2010: 23), state that dairy products have dropped in sales during the recession period and retailers and suppliers have fought back with product innovation, consumer education and aggressive marketing strategies to increase consumer demand. The author indicate that the volatile South African markets have been amplified by the increased number of imported products reaching its shores due to favourable exchange rates causing the local producers to feel the effects of the competition in the market place.

According to Pride and Ferrell (2010: 94), some companies engage in activities that customers, marketers and society deem unacceptable behaviour, for example, activities include questionable selling practises and bribery. Because social responsibility and ethical issues often have profound impact on the success of selling and marketing strategies. A social responsibility index (SRI) was created on the Johannesburg Stock Exchange (JSE) indicating the levels of commitment by companies towards society and the environment. In addition the authors indicates that social responsibility refers to the organisations commitment to maximise its positive and minimise its negative impacts on society. Social responsibility thus deals with total effects of all marketing decisions on society. In marketing, social responsibilities include the management process needed to monitor, satisfy and exceed customer's needs and expectations. With the introduction of Consumer Protection Act in South Africa will radically overhaul the manner and form in which business is conducted within our country. The Act now formally entrenches how business conduct transactions between them and consumer and that business is deemed acceptable or not. Previously, this was not the case and many types of conduct were often unfair but as there was no legislation on these questionable practices it often became a common occurrence. This was often to the detriment of consumers. The Act now formally entrenches the rights and obligations of both consumers and business (www.statssa.gov.za).

While South Africa produces many products of world-class quality for export, it is also a major importer of diverse products from most countries. From pharmaceuticals to telecommunications, South Africa is an advanced consumer of the latest on offer from international sources. South Africa has a fully open market for importers. As a member of the World Trade Organisation, it follows the Harmonised System of import classification. South Africa offers foreign suppliers a variety of methods to distribute and sell their products, including using an agent or distributor, selling through established wholesalers or dealers, selling directly to department stores or other retailers, or establishing a branch or subsidiary with its own sales force (www.statssa.gov.za).

2.1.5 Practical Protection Measures Afforded to Consumers by the Act

Direct marketing is fast becoming one of the major avenues through which businesses transact with consumers because of the simplicity of the transaction process. Complaints from about certain practices employed by direct marketing companies have result in the Act addressing some of these complaints. For example one of the major complaints from consumers related to the "invasion of space and privacy that often occurred when a direct marketing company would approach a consumer about its products and services. This approach often took place at a place and time which did not suit the consumer. The Act now provide for the establishment of an "Exclusion Register" whereby a consumer can now register a so called pre-emptive block against receiving any electronic communication. The exclusion register prohibits direct marketing companies from contacting people who have registered to be excluded from being contacted about the sales of products and services. This will greatly assist consumers as they will be able to prohibit unwanted electronic communication. Any business that contacts a consumer who is on the exclusion register will find them facing possible sanctions and prosecution.

The Regulations of the Act now stipulates the times and days during which consumers may be contacted for direct marketing. The Act ensure that a direct marketer will only be allowed to make

contact with consumers during certain periods and also Also, the Act now prescribes that a salesperson visiting a consumer must now wear an identification device (badge) that authenticates his/her identity. However, one of the most important provisions as far as direct marketing is concerned, is the right of a consumer to cancel any direct marketing agreement entered into, within 5 business days. This will ensure that a consumer will now have the right to "change their mind" about a direct marketing purchase within 5 business days. This is a real improvement as often consumers have signed up for a service or product without having thought about the purchase carefully and the possible effects it would have on their budget and other financial commitments. In some cases it has been found that consumers are subjected to pressure to the extent that they enter into an agreement merely to end a sales pitch. It would thereafter be difficult to cancel the agreement as the business would rely on the contract that was signed.

The Act now ensures that a consumer that has entered into a contract after a direct marketing engagement may cancel such agreement within 5 business days. The cancellation will however have to be done in the correct manner i.e. either in writing or any other recordable manner. This provision therefore offers substantial relief to consumers that may have "second thoughts" after entering into a contract that was facilitated through direct marketing. The Act now formally prescribes that a supplier may not enter into an agreement with a consumer that is patently one sided, unreasonable or unfair. In order to assist business and consumers the Act outlines a number of issues that will be considered to constitute unfair or unreasonable contract terms. For example, a supplier cannot include a provision in a contract which provides that the consumer now waives any rights afforded to him/her in the Act. Also, a consumer will now have recourse should they feel that a supplier has misrepresented a material fact regarding the goods or service. The Act now also obligates suppliers to use clear and understandable language within contracts so as to ensure that consumers are not misled. "One of the issues that have led to the most debate revolves around the issue of strict liability. In terms of section 61 of the Act a producer, distributor, importer or retailer

can now in certain instances be held strictly liable for any harm or damages suffered by a consumer flowing from the use of a product. This is irrespective of whether negligence can be attributed to the producer, distributor, importer or retailer. This is a drastic shift from the previous situation where a consumer was lumped with the onus of proving negligence on the part of the producer, distributor, importer or retailer. It is however important to note that a consumer will need to approach the courts to institute any claim for damages based on strict liability" (http://www.capegateway.gov.za/eng/pubs/public_info/l/214923).

Consumers will be able to return and claim refunds for poor quality goods because there is now an implied warranty of six months for any goods purchased. This is another area that the Act will drastically change as a consumer will now be entitled to return a product if it is not suitable for the purposes for which it was intended or it fails to comply with certain requirements. The Act therefore acknowledges that a consumer is entitled to return a product and obtain a refund or have the product repaired if the product is no longer suitable for the purpose intended or if the product does not meet certain criteria. This however does not mean that a consumer can insist on a refund if he/she no longer wants the product because it is cheaper at another store or the design no longer fits in with the consumer's décor. Also, if a consumer has tampered with the goods in any way e.g. consumer attempts to repair the product themselves, and then a demand for a refund or replacement can be denied. The requirements as listed above i.e. the product is not suitable for the purposes for which it was intended or it fails to comply with certain requirements must therefore be met before any refund or replacement can be done. The Act also states that the consumer must return the product within 6 months of it being delivered

(http://www.capegateway.gov.za/eng/pubs/public_info/l/214923)

To promote trade South Africa has a modern and well-developed transport infrastructure. The air and rail networks are the largest on the continent and the roads in good condition. The country's ports provide a natural stopover for shipping to and from Europe, the Americas, Asia, Australasia

and both coasts of Africa. The transport sector has been highlighted by the government as a key contributor to South Africa's competitiveness in global markets. It is regarded as a crucial engine for economic growth and social development, and the government has unveiled plans to spend billions of rands to improve the country's roads, railways and ports (www.statssa.gov.za).

2.2 SELLING STRATEGIES

Sales orientation era started when firms increased their production capabilities to such an extent that created surplus products which could not be sold. Sales orientation is based on the idea that customers will purchase more goods and services if aggressive techniques are used and higher sales volumes result in higher profits. While the fundamental problem with sales orientation is that the consumer's needs and wants are ignored and the firms focus is on production and sales. In addition, marketing or customer orientation creates profit through customer satisfaction. Marketing directs their products to specific groups of people, while sales orientation directs their products to everybody. Relationship Marketing, as a philosophy, is focused on building long term relationships with customers. Although, marketing and sales differ greatly, they have the same goals. Marketing improve the selling environment and plays an important roles in improving sales performances. Firms build relationship with customers by offering value and providing customer satisfaction on a consistent basis, which creates repeat or loyal customers (Lamb, Hair, McDaniel, Boshoff and Terblanche, 2008:13).

According to Friedman (2004:4), the development of modern sales management is a American story, European nations had peddler networks and no other country had created organised sales forces as did the United States of America. Friedman stated that there are several reasons for this occurrence. For example, the American economic system was based on a sound currency, the rule of law, protection of private property and the availability of loans, these were the requirements to build a sound sales force. This economic system fostered the growth of an organised salesmanship

tremendous amounts of cars, business machines, appliances, these companies were forced to hire salesmen's to sell their products. Moreover, Friedman indicate that selling in America flourished for cultural reasons, because they had no organised churches and aristocracy, the salesmen provided religious groups with an outlet to compete for followers. This resulted in, the creation of new sales techniques and establishing the new science of mass production and sales. During this period the salesmen, no more regarded the citizens as steel workers, bankers or housewife, but regarded them as "prospects".

Personal selling is a paid communication that informs and persuades customers to purchase a product in exchange situations. Personal selling provides marketers the freedom to adjust a message to satisfy a customer's needs. It is the most expensive unit in the promotional mix (Pride and Ferrell, 2010: 518). In addition Pride and Ferrell indicate that the selling process may vary among sales people, selling situations and cultures. According to the authors the selling process consists of seven steps. These steps are as follows:

Prospecting: is a form of developing a list of potential customers, which can be compiled by going through company records, trade shows, commercial databases and newspapers;

Pre-approach: sales people acquire knowledge about customer's needs and wants before short listing them. Sales people with lots of information about a customer will be better equipped to develop a presentation;

Approach: the salespersons contact with customers is a critical step in the purchase situation. The purpose is to gather more information about the customer's needs and wants and builds a relationship with them;

Making the presentation: it is important to capture the customer's attention and stimulate interest in the product and ignite a need for it. It is important for the sales person not only to talk but to listen to the customer during the presentation;

Overcoming objections: an effective salesperson will seek out objections about product in order to address the situation;

Closing the sale: in this stage of the personal selling process the sales person entices the customer to purchase the product; and

Following up: the sales people should enquire about the product, for example if it was delivered on time and the equipment was correctly installed.

According to Friedman (2004: 6), systematic methods of sales management was instrumental in developing sales and services techniques that support sales management, including trade journals and magazines such as *Salesmanship* (founded in 1903); *Salesmen* (1909), *Salesmanship devoted to success in selling* (1915) and *Salesman opportunity* (1923). According to Manning, Reece and Ahearne (2010:5), the age of information has greatly influenced selling. Sales people use a variety of informational technology to process information of value to the customer. The author's recognition of information technology as a strategic resource is used to assist and guide management in building relationships with the customers. Frankwick, Porter and Crosby (2001:135), concluded that companies face increased levels of diverse complexity in the market place. Manning, Reece and Ahearne, (2010:11), state that sales people are required to pay more attention to strategic planning because it is often influenced by information in the strategic market.

According to Freedman (2004) the systematic development of sales and service techniques; Manning et al (2010) strategic planning places greater emphasis on different approaches to selling, it must be indicated that marketing divisions are constantly improving the way they direct their selling efforts to the consumer in South Africa.

2.2.1 Advancement of Sales Techniques

Weitz and Bradford (2003:242), cited (Wotruba 1991 and Kotler 1998) indicate that personal selling has evolved through four era's – production, sales, marketing and partnering. In each era the role of the sale people differ, thus they engage in different activities requiring different knowledge, skills and abilities to be successful. In addition the author state that personal selling is the only medium to fulfil the customer's needs and beliefs and the sales persons can observe customers reaction to the sales messages.

According to Fritchie and Johnson (2003: 249), under the present circumstances there is no need for consumers to leave their homes to acquire products because of the variety of ways to obtain their desired commodities, for example using television, home shopping methods, internet and catalogues? Pride and Ferrell (2010: 523), indicate that salespeople can be divided into four categories. These are as follows:

Order getters: they inform and persuade customers to buy products that are on sale. Their role is to increase sales to new and established customers;

Order takers: they seek repeat sales, generating the bulk of the firm's total sale;

Support personnel: they are not responsible in making sales. Their function is to inform, educate and build goodwill with customers; and

Sales promotions: they are an incentive activities created by firms to attract customers to product with the intention of selling the product.

There are various sales promotions techniques and some of these are:

Coupons: reduces the selling price of a product with the attention to attract customers to try new or established product. The purpose of the coupon is to increase the sale of products quickly:

Cost off offers: customers pay a lower price, less than the original selling price. This method is incentive based for customers to buy new or established products;

Money refunds: customers supply proof of purchases and are refunded a certain amount of money. Money refunds are used primarily for trial products; and

Free samples: stimulate trial of product with the intention to increase sales volumes.

Pride and Ferrell (2010: 534) and Fritchie and Johnson (2003: 249) cited (Auter and Moore 1993; Hayden 1996 and McDonald 1995) indicate that television shopping facilitates creates interpersonal relationships between host and viewers because host uses face to face gestures and direct address. Furthermore, the authors cited Gumpert and Drucker (1992) state that television shopping combines a para-social situation with selling because it involves social involvement within a personal situation and also provides an opportunity for an air host to use persuasion strategies to motivate their products to the viewer.

According to Fritchie and Johnson (2003: 250), Home Shopping Network (HSN) described itself as "the world's most widely distributed television shopping network". In the year 2001 customers made about seventy five million phone calls to HSN, which led to sales exceeding 1.8 billion dollars. The researcher concurs with the authors that with the advancement of technology every desire of a customer needs can be fulfilled by not stepping out of ones abode but by merely ordering via the internet or by phoning the supplier.

Pride and Ferrell (2010: 195), indicate that customers are subjected to various stages in a purchase situation, the more complex the purchase situation the more expensive the item the more likely it will be passed through different stages and the process will take more time. The stages are as follows: needs recognition may be functional or might be initiated by emotional or psychological

state of the individual. For example, in the case of functional awareness there could be that the car has run out of petrol. The desire for status might ignite the emotional need. In the case of informational search the customer draws up a description of what is required and start searching for alternatives. The evaluation of alternatives and the purchase the customer makes a short list of alternatives for evaluation. The screening process may use different criteria for selection before purchase. During post-purchase evaluation of the decision it is common for customers to experience concerns of the new product. Such concerns arise from uncertainty surrounding the purchase.

Jobber and Fahy (2009: 65), indicated that customers are subjected to three types of buying situations; extended problem solving involves a high degree of information search and a close analysis of alternatives. When purchasing high priced or valuable items for example a house, cars and jewellery it is important to make the right choice. Limited problem solving happens when the consumer has some prior knowledge or some experience with the product. Information search is mainly internal through memory. Lastly, habitual problem solving occurs when customers repeatedly buy a product while carrying little or no evaluation of the alternatives that are available.

2.2.2 Conclusion of Selling Strategies

The management of sales forces are becoming more aggressive in their approach as sales organisations must deal with varying changes appearing in the global arena. In addition the age and ethnic populations' evolution is constantly changing the sale environments; consumers are becoming more green conscious for the physical environment that can sustain their quality of life. Businesses are becoming internationally orientated, buying from or selling to the global markets to improve their profitability. Eastern Europe and Asian countries are opening their markets making it easier for companies to sell their products and services. New developments in communications and information technology are changing our everyday lives and business practises. Most salespersons

utilize a customer relationship management systems to assist them in serving customers effectively and efficiently. Sales managers are using computer technology to assist them in managing their sales force to perform their duties. Customers too are also using new technology such as the internet to assist them in gathering information about products in order to make purchasing decisions. Today's sales force comprise of professionals and often could be considered as marketing consultant. The new type of sales people are expected to engage in consultative relationship with their customers. They are also expected to not only sell products but also solve customer problems and thereby building long term relationships. In the next section concept of retailing is discussed.

2.3 CONCEPT OF RETAILING

2.3.1 Definition

According to Varley and Rafiq (2004: 4), the word retailing originated from the French verb "Retailer" meaning "cut up" referring to an important retailing activity, that is to buy in large quantities and sell in small quantities to the end user. For example, a supermarket will purchase boxes of baked beans and will sell them in single units. Baker (1998: 2), defines a retailer as any company engaged in selling products for consumption and personal use and rendering after sales service for the goods. In addition, Baker indicates that many businesses carry out retailing activities, but are not classified as retailers.

Retailing consists of the sales of goods or merchandise from a fixed location such as departmental stores, boutiques or kiosks or by mail, in small quantities for direct consumption by the buyer. Retailing might include subordinated services such as deliveries and in addition, their customers may be individuals or businesses. In commerce, a retailer purchases goods or products in large quantities from manufacturers or importers either directly or through a wholesaler and then sells small quantities to the customers. Retail outlets are often called shops, stores or supermarkets and

they are at the end of the supply chain. Manufacturers see the process of retailing as a necessary part of their distribution strategy. Online retailing is a type of electronic commerce used for business to business (B 2 B) or business to customer (B 2 C) transactions and mail orders are forms of non – shop retailing (<http://www.euromonitor.com>).

Statistics South Africa defines the retail trade as “the resale of new and used goods to the general public for personal and household consumption or utilisation, by shops. Department stores, stalls, mail-order houses, petrol filling stations, retail motor vehicle dealers, hawkers and pedlers, consumers co-operatives (www.statssa.gov.za)..

According to the above definition a play an important role in the downstream activities of the supply chain and provides a central role in satisfying customer needs and wants. The retailer is an important player in rendering a service to the upstream and downstream consumers in the supply chain.

Cant, Strydom, Jooste, du Plessis (2007:363), state that the general description of retailing has three defined concepts namely;

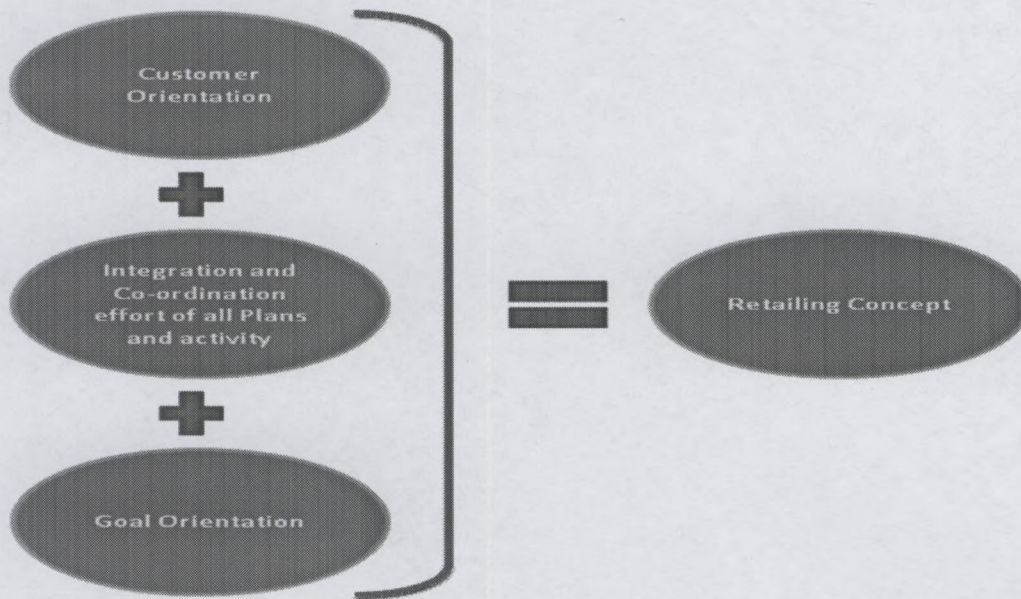
- **The purpose of retailing:** the underlying perception that retailers strive to achieve certain economic objectives. In most cases their economic objectives are based on achieving the highest profitability on their invested capital;
- **The variety of retailing:** refers to the fact that retailers can be found in the primary, secondary and tertiary sectors of the economy. In the primary sector a business may be supplying raw material to the manufacturer. Secondary sector is the conversion of raw materials to manufactured goods. Tertiary sector relates to the services for example taking the manufactured goods and selling them on to the final consumer; and

- **The size of retailing:** there is a general misconception about the general term retailers. Small business is a term that refers all business sales and is not limited to selling to the final customer. Retailers come in different sizes and formats.

Verdict (2001) cited by Varley and Rafiq (2004: 10), indicate that retailing activities must be viewed as a contributor to the economy. Verdict stated that in the past two decades of the twentieth century, the United Kingdom and many developed nations have seen their economies changed from a manufacturing to a service based industries in term of wealth, employment and investments creation. In addition the authors state that one third of all consumers' expenditure is conducted through retail outlets. Retailing is a vast and fast moving industry providing a diversity of size and character of business rarely encountered in other sectors. The contributions made by retailing to the economy, also forms part of the fabric of society. The increasingly dominant role that the retailer plays in the distribution of products to consumers is unprecedented in other industries. The modern industry provides a challenging arena for dedicated and multi-skilled managers, providing financial rewards that are limited by an individual's ambition.

Figure 2.1 consist of three interrelated elements that justify a retailer's existence on the basis that it strives for customer satisfaction.

Figure 2.1 the Retailing Concept



Source: Terblanche (1998: 7)

Figure 2.1 indicates the retailing process in supermarkets

The basis of retailer's customer orientation and integrated and co-ordinated effort of all plans and activities must be focused on satisfying the customer needs and wants. Their goals orientation is achieving by pursuing the company's financial and non-financial goals by satisfying customer's needs and wants. The role of marketing in the economy is important to consumers because it is responsible for the creation of numerous transactions and is a major source of employment in this country. The emergence of large number of hawkers and flea markets in the informal sector make it impossible to estimate the number of employees working in retail (Lamb, *et al.* 2008: 39).

2.3.2 Global View Point

According to Varley and Rafiq (2004: 10), retailing is becoming a major player in the global environment because supermarkets employ large numbers of workers and has the ability to supply goods at reduced prices. A structured retail industry with more players in it suggests that the economy is rapidly developing as organisations start to specialise and achieve economies of scale.

As consumers disposal income rise, retailers play an important role in distributing goods to the centre of population where it is required. The authors Varley and Rafiq (2004:10), indicate that the third world and emerging markets are opportunities for established retailers to enter these markets. In addition, as artificial barriers to trade begins to disappear, for example import duties and quota restrictions are lifted from the global economy, retailer view the world as their market place. The rapid and continuing globalisation of the world economy means that retailing activities is becoming a major trading arena for large retailers today and is likely to intensify in the coming decade as competition increases in the global environment.

Internationalization in retailing is not a new phenomenon for instance Woolworths opened its first store in the United Kingdom in 1909. Until recently the most active internationalizers were the luxury goods and specialist retailers. Recently all types of retailers are active in the global arena; retailers such as Carrefour and Wal-Mart are leading the way in the global arena. The retailers are becoming more adventurous in that they are entering global markets closest to them and are also operating in more difficult and distant markets. Their push to globalise could be because of the saturation of home markets and also to become first movers in developing countries resulting in them becoming market leaders thereby, achieving economies of scales (Varley and Rafiq 2004: 269).

According to Pride and Ferrell (2010: 246), market penetration by retailers beyond their borders is becoming a common occurrence because of the attractive opportunities offered in foreign markets. Some of the reasons indicated for companies migrating to foreign markets is because of higher growth opportunities in larger populated countries and saturated local markets. Furthermore, retailers might have products and technology that is not available in that country and also competition might be limited. Another possible reason could be that foreign countries might offer tax incentives for foreign companies trading in their country. Changes in government and economic shifts may also make countries attractive to foreign retailers investors.

Terblanche (1998: 56) cited McCammon (1987), identified five categories of shoppers based on their shopping strategies in America. In addition, Terblanche stated that although these types of shoppers are based on an American study, the author indicated that the classification could be easily applied to the South African context. The five categories are as follows:

- **Impact shoppers:** are attracted by price especially when there are sales promotions;
- **Dedicated shoppers:** are informed and at times difficult customers to deal with. They represent volumes for the retail industries but yield lower profit margins from their purchases;
- **Contemporary shoppers:** are fashion conscious well educated with high incomes. They are not price sensitive;
- **Social shoppers:** shopping is part of their social lives. Their income limits them to purchasing only necessities and are attracted by low prices; and
- **Transitional Shoppers:** normally shop in the introduction phase of the products life cycle (PLC) and are price sensitive. They have good education and income limits their purchasing power.

According to Lamb *et al.* (2010: 282), the product life cycle indicates the different stages of a product entry into the market from its introduction stage to the products death. A product progresses through four major stages of its life cycle. These stages are as follows:

Introduction Stage: During this stage of the PLC the product is launched into the market, sales are often slow because consumers are reluctant to change their buying habits. During this period profits are in the negative because of slow sales and aggressive advertising creates higher costs;

Growth Stage: As the product survives the introduction stage it advances to the growth stage of the PLC. In this stage sales and profits increase rapidly. A competitor entering the market in the growth stage offers “Me Too” products. In this stage advertising switches from promoting primary demand of the product to brand awareness;

Maturity Stage: During this stage sales increases at a slower rate signalling the start of the maturity stage of the PLC. During this period product sales settle because new users cannot be added and as markets approaches saturation. Most of the consumers who requires the product have bought it by this stage and sales are mostly of a replacement nature; and

Decline Stage: Most products eventually decline, some slowly and others quickly. A long run drop in sales signal the beginning of the decline stage as consumers switch to more innovative products (Lamb, *et al.* 2010: 282).

2.3.3 South African View Point

In the course of the last 30 years, retailing in South Africa has undergone a profound transformation. The retailers have adapted the nature of the commercial range in order to meet with changes in the environment. The traditional retailing industry is being replaced by organised and concentrated distribution. According to the Euro monitor.com, South Africa’s retailing industry experienced strong growth in 2009. The recent global recession impacted local markets but the retail industry experienced a rise in growth in 2010 from the previous years (2009). This result could be due to the increased unit prices to drive volume sales. In addition the report indicates that the key to South African retail markets is the convenience stores springing up all over the country. As consumers are leading busy lives, there is a growing demand for convenience foods that are value for money. The consumer needs are being addressed by the retailers introducing new format stores. The introduction of Pick n Pay Express outlets at British Petroleum courts will rival

Woolworth's food monopoly in this environment and develop their association with Engen Petroleum (<http://www.euromonitor.com>).

According to Cant, Strydom, Jooste, du Plessis (2007:362), the South African retailer play a dominant role in the development of society and the satisfaction of its needs. Retailers are the last link in the supply chain linking the manufacturer to the customer. In this process the retailer provides the product or services required by customers. The sophistication of the country's retailing infrastructure indicates the level of economic development of the country. South Africa is in an interesting position in that it has both a first world retailing industry in the urban areas and a third world retailing infrastructure in the township and rural areas. The South African retailing industry is seen as the leading retailing body in the African continent. The largest retailers in the South African economy are Shoprite, Pick n Pay (both food retailers), as well as Edcon (the clothing group), JD Group (furniture) and Woolworths (selling food and clothing under one brand).

As a result of South Africa's history of apartheid and allied international sanctions against the country, retailing is dominated by large companies in South Africa accounting for the leading brands in the country. The holding companies deal in various commodities ranging from groceries, clothing, footwear, furniture and furnishings. These companies offer a number of brands within a certain area of retail ensuring they capture the core target market for example lower, middle or upper income markets. The competitive retail environment will encounter a major shake up, if and when leading international players enter the country. While a number of South Africans in possession or have access to a personal computer is increasing rapidly, this as resulted in the decrease of internet prices. The broad brand options available in the country have given the consumer a broader perspective on their internet connectivity choices. The internet usage in this country is dominated by the middle and upper income groups. While a number of consumers do their purchases on line, the majority of consumers have doubt of online payment; they still do their purchases from brick and mortar companies.

The effects of the current economic downturn will continue to be felt, and as consumers realise there is no immediate change in the economic environment, they will curb their spending on non essential goods (<http://www.euromonitor.com>).

Kloppers *et al.* (2006: 332), indicated that retailing has developed throughout the last twenty years, whenever goods have become available, traders have found ways to sell them. With the discovery of international trade routes connecting countries, the availability and the range of products grew. The role retailer's play has become more important as the link between producer and consumer. In the 1950's the consumer began to serve themselves in the newly designed shops called supermarkets. Previously the customers stood in front of the counter and handed over a list to the shop assistant to secure their listed products. Other types of retail businesses adopted the idea of customer serving themselves. This system became known as self service retailing. The change to self service retailing led to major operational changes for example, in displays and packaging which plays an important function in marketing of the product.

According to Varley and Rafiq (2004: 4), retailing can be regarded as one of the most competitive industries in South Africa. Deregulation of the economy and increasing competition in the international arena, has increased opportunities for retailers. Job opportunities in the service sector are continuously growing worldwide including South Africa. In addition, the author defined retailing as a "business that focuses its marketing efforts on the final customer with the intention of selling goods and services to them". Therefore, the marketing functions of retailing are to create a link between customers, manufacturers or producers and create an image that is conducive to enhancing the firm's goods and services. According to Statistic South Africa retail sales rose by 4.6 percentages in August 2010 compared with August 2009 (www.statssa.gov.za).

Cassim (1998: 41), indicates that South Africa's exposure to the global arena has made great strides towards the implementation of new technology by retailers. The application of technology

has assisted retailers in analysing their customers needs and providing them with improved services. Technology assists in reducing shrinkage, improve profitability and also in maintaining a competitive advantage over their competitors. Some of the technological improvements found in supermarkets are as follows:

Electronic shelf-price labelling system: allows price changes and special promotions to be conveyed from back office to the shelves by a touch of a button;

Electronic capture of customer data: assist in inventory control, product mix decisions, purchase forecasting, target marketing and evaluating promotion plans. Information can be captured at the point of sale (POS) payments;

Scanning Technology: is currently in use by a range of outlets. Scanning of products assist retailer with the following, reducing shrinkage, providing data, links data from shop to back offices, warehouse and stock control and speeds up transactions;

Source tagging: is placing security tags of expensive items at point of manufacture for inventory and security control purposes; and

Electronic Merchandising: includes interactive two way communications with consumers and the implementation of home shopping.

2.3.4 Retailing strategies

According to Lamb *et al.* (2008: 296), the communication mix in retailing is very important because it has various strategies that could be adopted to attract customers. The different elements that attract customers in the communication mix include advertising, sales promotion, publicity and personal selling. The use of the following three communication mix strategies, namely informing, persuading and reminding keeps the customers aware of the stores products that are on promotions.

These strategies informing, persuading, and reminding are listed as follows:

Informing: Informative marketing communication seeks to convert an existing need into a want and stimulates interest in the new product. Informative type of advertising is more evident during the early stages of a product life cycle. Customers do not normally purchase a new product or service if they are unaware of the products attributes and benefits;

Persuading: Persuasive marketing communication is designed to stimulate customers to purchase a product. Persuasion becomes the main marketing communication when a product enters the growth stage of the product life cycle. The target market is made aware of and provided with knowledge of the products benefits and attributes; and

Reminding: Reminding marketing communication keeps the product and brand in the public minds. This type of marketing communication prevails during the maturity stage of the product life cycle. It assumes that the customers have been aware and used the product and its purpose is simply to trigger a memory in the customers minds (Lamb, *et al.* 2010: 352).

According to Kraft and Mantrala (2006: 1), cost-plus pricing system is used by most retailers. This pricing system entails adding a mark up amount or percentage on the cost price. Another commonly used technique is the suggested retail pricing, which involves charging the retail price suggested by the price printed on the product by the manufacturer. Psychological or odd prices are used in Western countries and are fixed and displayed on signs, boards and labels. The authors indicated that when prices are not clearly displayed on the products or shelves this can be considered as price deception.

Varley and Rafiq (2004:10), cited Hart (1996), indicates that the retail price index in the stock markets is frequently referred to as an economic indicator. It measures are based on a basket of products across all retail sectors and compares the prices over a timeframe to indicate the cost to

the households typical purchases for the month. Hart stated that the retail price index in the United Kingdom was relatively stable indicating stability in the economy. According to Hart (1996), cited by Varley and Rafiq (2004: 10), stated that "when retail prices begin to rise, the government might introduce an interest rise to curb inflation and if the price index looks like it might fall, a lowering of the interest would help to prevent stagnation in the economy".

Terblanche (1998: 7), state that the marketing concept has been successfully used by many retailers for years. The concept strives for the satisfaction of customer's needs and wants. The retailing concept incorporate three elements namely customer orientation; integrated and coordinated effort of all plans and activities and goals orientation. In addition, the author states that there are various ways in which the consumer can receive goods from a retailer; counter service is when goods are out of reach of the buyer and must be obtained from display by a employee and handed to the buyer. This type of service is normally used for very expensive items such as jewellery and controlled products e.g. medication and to some extent liquor. Delivery services maybe used when the purchased goods are delivered or shipped to the customer's house or workplace. For example mail orders from a catalogue and telephone orders from newspapers, radio, television, furniture and home shopping.

Another common method adopted by sales personnel is door to door sales. This typically entails a salesperson travelling with the goods for sale on his person and approaching customers to purchase the goods. The self service system is used, when the customers can handle and examine the goods before purchase, has become more common in retail stores (Pride and Ferrell, 2010: 436).

According to Sum and Hui (2009:101), two retail environmental factors affects customer loyalty on service quality. The first factor is the price set by retailers and the second factor is the demographic

character of customers. For example higher income earners may be favourable to retailers who provide good sales persons service quality, while lower income earners may not have expectations of good salespersons service quality.

Kraft and Mantrala (2006: 2), states that retailers can use facing techniques to create the look of a perfectly stocked shop even if it is not. The authors conclude that management should aim to make their supermarket a "destination store" for customers.

While Terblanche (1998) marketing concept; Kraft and Mantrala (2006), facing techniques; Varley and Rafiq (2004) pricing index are strategies that are in use in South Africa. It must be noted that the consumers are becoming more sophisticated in where they shop because information is freely assessable in the internet and news media. Thus it is important that companies are ready to attract customers and provide them with world class services.

Recent research shows that December 2011 South Africa retail trade grew by 12.8% when compared with the same period the year before. However, retail sales in December 2012 is expected to increase by between 7% and 9% – slightly above inflation – to levels between R80 billion and R82 billion, based on current prices. CEO of South African Council of Shopping Centre's (SACSC) Amanda Stops indicates: that prevailing economic uncertainty in 2012 and non-retail consumer pressures are the main contributing factors. "Uncertainty in international and local macro economies defines 2012." Most key indicators show no clear upward or downward trend. Hefty inflationary pressures from school fees at 9%, petrol at 17%, electricity at 10% and water and services at 9%, are all placing strain on consumers. Public transport is 15% higher than a year ago, hurting the commuter market. Unsecured loans also increased by 21% during 2012. On the other hand, Stops notes consumer inflation on clothing, household products and home ware is much lower than the current inflation rate, making these mostly essential products attractive to consumers. For this reason, Stops says, it is likely that Christmas shopping will be focused in these categories (www.statssa.gov.za).

2.3.5 Conclusion of Retailing

Retailing is selling goods and services to customers for their personal use. Its purpose is to obtain finished products and sell to the end user who is prepared to pay for the pleasure of eating, wearing, and experiencing particular products values. Retailing is also about the distribution of goods and services because they play a key role in the journey of a product life cycle from the manufacturers, growers and service provider to the end users. Cant, Strydom, Jooste, du Plessis (2007) indicates that retailing plays an important part in developing the South African society, This function also provides a collection of service benefits to their customers such as providing efficient and quality service, being located at convenient places and selling of goods at personal quantities to match consumption. Management challenges in this process are to run a smooth operation without hitches. Retailing is therefore a descriptively simple management process yet fascinating and complex in detail. The many definitions of retailing share the same basic concept; retailing is the business activity of selling goods and services to the final customer. Therefore, a retailer is any business establishment that direct its marketing efforts to the final customer. In the early days of retailing, all products generally were fetched by an assistant from shelves behind the merchant's counter while customers waited in front of the counter and indicated the items they wanted. Also, most foods and merchandise did not come in individually wrapped consumer-sized packages, so an assistant had to weigh, measure and wrap the precise volume required by the consumer. These practices were by nature are very labour- intensive, time consuming and also expensive. The shopping process was slow, because the number of customers who could be attended to at once was limited by the number of clerks employed in the store.

In the next section the researcher looks at the various concepts of the supermarket industry.

2.4 CONCEPT OF SUPERMARKETS

2.4.1 Definition

A supermarket is a form of grocery store offering a variety of foods and household merchandise organised into departments. It is large in size and carries a wide range of products, more products than a grocery store would stock. The normal supermarket comprises of the following departments meat, fresh produce, dairy, baked goods, with shelf space reserved for canned and packaged goods and non-foods such as household cleaners, toiletries and pet foods. Some supermarkets also sell a variety of other goods such as alcohol, medicines and clothing. The floor space in supermarkets varies from large to small areas and they are conveniently situated near residential areas. Its basic appeal is the location of the store, availability of a large selection of goods at lower prices, abundant parking and convenient shopping hours make it an attractive shopping destination. Supermarkets have large advertising budgets using newspapers, television, as their advertising media (<http://www.google.com/patents?d>).

Supermarkets usually sell staple products (milk, bread and sugar) are occasionally sold as loss leaders. They usually offer products at low prices than the local grocer by reducing their profit margins. They attempt to make up the lower margins by overall volume sales. In South Africa initial development of supermarkets has been followed by hypermarket growth. In addition there were investments by companies such as Makro and Metro in large scale cash and carry operations (<http://www.google.com/patent?id>).

There has been a rapid transformation of the supermarkets in developing countries, since the 1990s. This development applies particularly to South America, Asia, and South Africa. However, growth is being witnessed in nearly all countries. With growth, have come considerable competition and some amount of consolidation. The growth has been driven by the rise of a middle class; the entry of

women into the workforce; with a consequent incentive to seek out easy-to-prepare foods; the growth in the use of refrigerators, making it possible to shop weekly instead of daily; and the growth in car ownership, facilitating journeys to distant stores and purchases of large quantities of goods. The opportunities presented by this potential have encouraged several European companies to invest in these developing countries markets. Local companies also entered the market. Initial development of supermarkets has now been followed by hypermarket growth. In addition there were investments by companies such as Makro and Metro in large-scale Cash-and-Carry operations. While the growth insales of processed foods in these countries has been much more rapid than the growth in fresh food sales, the imperative nature of supermarkets to achieve economies of scale in purchasing means that the expansion of supermarkets in these countries has important repercussions for small farmers, particularly those growing perishable crops. New supply chains have developed involving cluster formation; development of specialized wholesalers; leading farmers organizing supply; and farmer associations or cooperatives. In some cases supermarkets have organized their own procurement from small farmers (www.statssa.gov.za).

2.4.2 Global View of Supermarkets

The concept of a self-service grocery store was developed by an American entrepreneur Clarence Saunders in his Piggly Wiggly stores. His first store opened in Memphis, Tennessee, in 1916. The early self service grocery stores did not sell fresh meats or produce because they did not have the facilities to do so. Convenience stores that sold perishable items were only developed in the 1920s (<http://www.google.com/patents?d>).

A supermarket is based on the self service concept developed by Clarence Saunders and is organised into various departments selling a large variety of different consumer products. It carries a larger variety of products than grocery stores. The various departments include the fruit and vegetables, meat and fish, perishables (dairy and poultry products), groceries (tinned products) and

non-foods (household cleaners); pharmacy; and pet products. Supermarket occupies a large floor space in a shopping complex, and is normally built in or near a residential area. A retail company would purchase a variety of goods in large quantities and replenish their distribution centres for distribution of goods to their various supermarkets in the organisation. (<http://www.google.com/patents?d>). The supermarkets appeal is centred on selling a large variety of products under a single roof at low prices. Other advantages offered by the supermarkets are large parking areas and trading hours extending to very late into the night while some stores offer a twenty four hour's service (<http://www.google.com/patents?d=unzhAAAAEBAJ>).

2.4.3 South African View Point of Supermarkets

According to Ackerman (2001:49), food supermarketing had started in South Africa around 1951 when the OK Bazaars chain incorporated the first food department in their flagship Eloff Street store in downtown Johannesburg. However, the history of retail and specifically food retail in South Africa seems largely to be inextricably bound to the history of the Ackermans, specifically Raymond and, before him, his father Gus, who started a business named Ackerman's at the end of World War 1 which became South Africa's first national retail chain. The way in which this company was born, and, also subsequently died, is said to be one of two incidents that made Raymond to resolve never to let Pick 'n Pay slip from his family control (Ackerman, 2001: 49).

When Gus initially set out to establish his business he was short of money and made a deal with a financier by the name of Morrie Mauerberger, whereby the latter would finance the business, but, in return, would receive 7.5 percent off the top of every sale: this was later reduced to 5 per cent, but still proved to be too burdensome and eventually forced Gus to sell the business in 1946 to Harry Herber of Greatermans, with Gus staying on as vice-chairman (Ebersohn, 2001: 18).

Meanwhile other major chains such as the OK Bazaars (established in 1927) (now defunct as a

result of weak practices), Woolworths (established in 1930) and Greatermans (established in 1931 and which bought Ackermans from Gus in 1946) had also expanded into food retail: the latter proving, in time, as we will see below, also to play a major role in the birth of Pick 'n Pay. Five years after the sale of Ackermans, in 1951, at the age of 20, (Raymond) Ackerman became a trainee manager in the business that had once belonged to his father (with his father on the board), now named Greatermans (ironically so), and retail history was in the making. Raymond Ackerman quickly made inroads at his place of employment, and, in due course, "...was seconded to work on the project (to start a food retail chain) with a specialist from Marks and Spencer. The result of this was the Checkers supermarket chain, their first store opened in 1955" (Ebersohn, 2001: 18).

However, Raymond did not agree with the company directors about the operating functions of the business because he believed that the pricing structures was wrong and eventually convinced them to allow him to take a trip to the USA to study food retailing. With his wife, Wendy, at his side, he went on a six month bus tour taking jobs in various supermarkets and studying their various styles in operating successful supermarkets. Together they took jobs packing shelves, setting up displays, serving behind the counters and sweeping floors to gain experience (Ackerman, 2001: 49).

Consequently, the Greatermans board reluctantly appointed him as general manager responsible for Checkers; unfortunately most of the members did not related to his innovative ideas about food retailing. In nine years he grew the chain from 4 stores to 85 supermarkets trading throughout the country.. Whilst one could not have faulted Raymond's belief that he must, by now, have the board's total backing, shockingly, in 1966, only two weeks after his father died, he was summarily dismissed after refusing to resign at their request. This dismissal was subsequently described by "Marinus Daling, head of insurance giant Sanlam, which would own Checkers in 1985, as 'the single greatest error in South African business'" (Ackerman, 2001: 71). This was also the second decisive incident in building Ackerman's determination that he would never again be at the mercy of such people (Ebersohn, 2001: 19).

What followed had an interesting prelude a few years prior to Raymond's dismissal Jack Goldin (who was himself later to achieve considerable distinction as the founder of the Clicks chain), intended opening a small "chain" of grocery stores named Pick 'n Pay, and approached Raymond in his capacity as general manager of Checkers for guidance. Although this was potential competition, he nevertheless provided Goldin with a quick lesson in grocery retailing, and, using what Raymond had taught him, Goldin expanded Pick 'n Pay. When Greatermans fired Raymond, his generosity to Goldin suddenly yielded unexpected dividends. Issy Fine (Raymond's brother-in-law) had heard that Goldin wanted out of Pick 'n Pay, which now consisted of three small supermarkets and one credit store (and he wanted to sell to Raymond Ackerman and no one else). The agreed price was R620 000-00 which Ackerman had to raised by signing up 50 investors and they became the new owners of Pick n Pay. Co-incidentally, in 1968, when Ackerman felt a pressing need to start expanding and needed cash for this venture, his half-brother, Bruce, a University of Cape Town undergraduate, who was busy researching for his thesis on listing on stock markets, suggested that he should list his small company on the stock market. Ackerman listed Pick 'n Pay on the JSE in 1968 and the rest, as they say, is history. Today the major players in the South African food supermarkets industry are Pick 'n Pay, Woolworths, Checkers/Shoprite, Massmart and SPAR with the battle for the majority of the market share taking place between Pick 'n Pay and Checkers/Shoprite (Ackerman, 2001:87).

2.4.4 Classification of Different Types of Services

The classification of business by means of the amount of services is well known and accepted in South Africa. The different types of services are listed as follows:

Self Service: was introduced in South Africa by Checkers supermarkets in the early 1950's. This was the beginning of the revolution that introduced self-service to all types of retailing organisations. Self-service entails that customers perform their own selection of products without assistance. It is perceived that by performing these self-service activities customers expect to pay less at the counter;

Limited Service: is now also found in the chain departmental stores such as Edgars, Stuttafords and to an extent Woolworths. Some assistance in the form of sales personnel is available to the customer. The use of additional services results in higher operating costs which will be included in the price structures of the product; and

Full Service: is found in exclusive retailing outlets such as upper class fashion boutiques and where durable products with a high value are sold. Full service is also found in the service industry such as restaurants where customers are waited on. Customers are prepared to pay more because of added services (Cant, Strydom, Jooste, du Plessis, 2007:366).

2.4.5 Strategies Applied by Supermarkets to Increase Sales

Supermarkets use advertising and sales promotion as medium of communication with their consumers to sell their products. The form of advertising used by the supermarkets take the form of pamphlets in newspapers, magazines, flyers, radio and television advertisements. Sales promotion is usually when a product is offered at a lower price. The product on promotion is usually placed in a conveniently located position, making it visible to the customer. Price flashers, bunting and announcement via the in store public announcement system are used in promoting the product to the customer. In some countries supermarkets only sells food products (<http://www.google.com/patents7d>).

Most supermarkets are similar in design and layout as a result of marketing trends. The fruit and vegetables and bakery are situated near to the front of the store, while the milk bread and other essential products are situated at the rear of the supermarkets or other out of the way places. This store layout is to induce the customer into impulse buying. In the front of the store the point of sale machines are situated for the customer to pay for their purchases. Supermarkets in general tend to narrow the choices of fruit and vegetables by stocking long shelf life products because it reduces the

company's wastage and shrinkage. In the year 2000, the Finnish government introduced an addendum to their law by allowing companies with larger than four hundred square metres trading space to trade on Sundays. Other countries followed this lead and supermarkets in South Africa now trade on Sundays (<http://www.google.com/patents7d>).

2.4.6 Analysis of Supermarkets

What is important to note from the afore-going section is that Raymond Ackerman was an instrumental figure in establishing supermarkets in South Africa and a deliberate and purposeful individual striving for a practical yet moral way to do business in a ethical way. The different types of service defined by Cant, Strydom, Jooste, du Plessis, (2007) are being adopted in the South African supermarkets today. Against this background, in the next section, the concept of work is discussed.

2.5 CONCEPT OF WORK

2.5.1 Definition

Sullivan and Sheffrin (2003: 4), indicated that work as a economic component relates to something that is supplied by business owners and demanded by non-owners. The risk associated with owning and operating a business is highly rewarding, resulting in the owners taking higher share of profits and the non-owners provide the highest share of work. The authors indicate that unsafe and unfair working conditions and the lack of profit sharing resulted in the birth of labour unions. The Old Testament supports work because it was necessary to prevent poverty (Proverbs 10:14; Proverbs 14:23; Proverbs 13:4; Proverbs 20:13). Hill (1996: 1) cited Waywood (1982), indicate that the Greeks and Hebrews regarded manual work as a curse and "was denounced by the Greeks" who considered only work occurring in the mind (mental labour) as work. The Oxford Dictionary refers to work as an activity involving mental or manual effort to achieve a result and is a means of earning an income.

According to Sullivan and Sheffrin (2003: 4), work in the context referring to human labour occurs when a person whose primary means of income is from selling his or her labour for wages. Moreover, the authors state that in Marxist terminology wage labour is the “mode of production where the worker sells their labour power as a commodity” (wage labourer is one who sells their labour power).

2.5.2 Different views of work

The Marxists regime opposed the capitalist employment systems indicating that it was unfair to the worker because they contributed the major proportion of the work and did not receive a share of the profits. Marxist ideology is that all citizens of society regardless of race, colour or creed are equal owners and therefore entitled to equal share of the wealth of a nation. In communistic environment, the state determines the value of a job and opens and closes avenues to job creation and to who will occupy the vacancies (www.businesslink.gov.uk).

According to Tilgher (1930: 4), mechanical arts were rejected because it required the application of practical thinking. Skilled craft was accepted because it has some social value and was regarded as much better than work for slaves (a person that is the property of another and is forced to obey their orders). Physical work conducted with hands was considered to be unskilled job such as fruit picking, road building, or any other work that is arduous and has a profit connotation attached to it, is often referred to as manual labour. In ancient times manual labour had very low status and was often conducted by slaves. However, certain skilled labourers were seen as artisans, with well paid jobs. The industrial revolution saw the introduction of machinery for manufacturing purposes, which lowered the status of workers tending to these machines even further. The reduction in worker status led to worldwide labour movements of the 19 and 20 centuries, leading to formulations of trade unions (<http://papers.ssm.com/sol3/papers.cfm?>).

Hill (1996: 2) cited Lipset (1990), indicated that the Roman culture and belief systems were adopted from the Greeks and as a result, they were not in favour of manual labour, Haywood (1982), suggests that manual work should be carried out by slaves. The middle ages emerged after the fall of the Roman Empire, when Christian ideology dominated the culture of Europe. In addition, Tilgher (1930: 4) stated that the "Christians regarded work as a punishment by God for man's original sin".

According to Applebaum (1992: 336), work relates to the concept of ethics as an activity, linking to work as an idea. Industrial culture elevates work and leisure time in the workplace over free time at

home. In addition, people who work do so to gain remuneration for the necessities of life. Moreover, in the modern world, work motivation is driven by the desire of humans to achieve Maslow's hierarchy of needs. Maslow's hierarchy of needs suggests that people are driven by different needs at particular times. These needs are ranked in categories physiological (most basic needs), safety, social, esteem and self actualisation (the highest level). According to Maslow as a person satisfies one need a higher level need becomes more important (Lamb, *et al*, 2010: 90).

Most people associates work with status, self esteem and for earning income to purchase goods and services offered in the market place. Work and income are prerequisite to purchasing various commodities such as: education, leisure, health and retirement products. In addition, Applebaum(1992: 336), states that the bible in the western world considers work as punishment (as man is cast out of paradise and told by God, in sweat of your face you shall eat bread).

According to Hill (1996: 1), Judeo-Christian belief system played a major role in the Western world's culture. The traditional Judeo-Christian beliefs indicated that after the dawn of creation man was placed in the Garden of Eden "to work the garden and to take care of it" (Genesis, 2:15).

In the next section the different types of work available are as follows: temporary, full time and contingent work are discussed.

2.5.3 Different types of work

The different type of work that is available in the supermarket industry is discussed below.

2.5.3.1 Temporary Work

Temporary work refers to a situation where the employee works for a given timeframe. These workers are sometimes referred to as "contractual, seasonal, interim or freelance" and the word maybe shortened to "temps" employees. Agricultural workers are often employed for harvesting of fruit and vegetables. In some instances temporary professionals such as white collar workers in fields like law, engineering and accounting call themselves independent contractors or consultants. Temporary workers are often utilised to work full or part time hours or according to business requirements.

In most cases these temporary workers are not afforded any benefits, usually these benefits are normally paid to the company's permanent employees. Most of the temporary employees secure jobs through work agencies. These agencies assign employees to work at other companies and often used to work in firms that are cyclical in nature which requires frequent adjustment of staffing numbers. .A temporary agency may not be confused with a recruitment agency. Recruitment agency's seeks to place permanent employees. Most of the temporary work agencies specialise in particular fields of business such as general labour, accounting, healthcare, technical and secretarial positions. The disadvantage of being a temporary employee, employers paying for their service can decide to terminate their services at anytime (<http://www.theclassofthenew.net>).

2.5.3.2 Full Time Work

Full time employment requires the employees to work the full amount of hours as designated by the company and which falls within the ambit of the law. This type of employment often has benefits attached to it and which is not afforded to part time, temporary or flexible workers. Some of these benefits include annual, sick leave, pension funds and medical aid. Full time employments can be considered as career positions. Their working hours varies between companies and in some firms it is based on the shifts the companies requires the employee to work. The standard work hours range between 40 and 45 hours per week. In the retail sector, employee working hour can be very long and irregular (www.dol.gov).

2.5.3.3 Contingent Work

Contingent work is also known as casual work describes a type of employment relationship between employer and employee. There is no agreed job description that constitutes contingent work. It is generally considered to be enclosed in the following combination categories; work which is temporary or lacks job security. This type of work is part-time and is paid on piece work basis. Contingent workers receive no benefits such as, annual sick leave and holiday pay. In the next section a general overview of employees working to improve the economy of a country and provided food on the table for their families is discussed (www.actew.org).

2.5.3.4 Conclusion of Work

Work plays a major role in defining society and the governments that administers society's functioning. This transformation is under scored by Applebaum (1992) whom references the use of ethics to describe the concepts associated with work. Whilst the above maybe characterise work in democratic countries, however Hills (1996) definition of work describes work for many other societies in the world today. China and India are striking examples. In a South African context the concept of

work is congruent to Applebaum's use of ethics to describe work. The principles of democracy and unionisation have largely been instrumental in defining the concept of work. The concept of work in many instances has undergone transformation affected by technology, a greater presence of unionisation and the process of democratisation. In the afore-mentioned section the different types of work positions available in supermarkets has been discussed. In the next section summary of various authors view about employees is discussed.

2.5.4 Employees

2.5.4.1 Definition

According to Wood, Wallace, Zeffane, Champan, Fromholtz and Morrison (2004: 356), an employee contributes his/her labour and expertise to and endeavour, thus performing the discrete activity of economic production. Employees provide their labour in the factors of production. Therefore, an employee is any person that is hired by an employer to do specific tasks and is remunerated for their effort. In modern times, the term employee refers to a relationship between a worker and the company and most individuals become employees after completing successful interviews. If the individual is suitable for the vacant position they are afforded a official contract of employment within the company indicating the starting salary, position the individual will occupy and a job description. The employee is afforded rights and privileges provided by the company which may include annual, sick leave, bonus and medical aid. The human resources department appoints and handles all major communications between the organisation and employees.

In addition, they handle hiring and dismissing of employees and also facilitate any grievances the employee may have. The employees are free to join the trade union affiliated with the company. The union represents most of the workers in the company and they bargain with the company to improve employee wages, benefits and working conditions. An offer of employment does not guarantee

employment for a length of time; however any party may choose to end the given contract at any given time. In some professions it is customary for the employee to offer two weeks or a months' notice when resigning from the organisation (Wood, Wallace, Zeffane, Champan, Fromholtz and Morrison, 2004: 356).

2.5.4.2 Employee Utilisation

Levy and Weitz (2007: 257), supported the theory that the first step in empowering employees is to review employee activities that require management approval. Empowerment of employees transfers responsibility to the lower levels of the organisation because they are closer to the customers and are in a better position to understand the requirements to satisfy the customer needs. Dunne, Lusch and Griffith (2002: 536), suggests that empowered supermarket employees are more likely to understand and solve their customer problems, they must be taught to develop customers relationship skills and made to understand customer loyalty. In addition, they stated that human resources management is important in supermarkets because employees play a major role in performing critical business functions. The strategic objective of all human resources management is to align employee capabilities and behaviours to the objectives of the company.

According to Levy and Weitz (2007: 239), supermarkets can also achieve their objectives by effectively managing their five critical assets, locations, merchandise inventory, stores, employees and customers.

Every employer is required by law (Basic Conditions of Employment Act – section 29) to provide their employees with a written contract of employment not later than the first day of commencement of duty. A contract is usually entered into between two parties and it protects the parties against unlawful action in terms of the conditions of employment. The focus of most employment contracts are wages for work rendered. Essential terms in the contract might be notice periods in the event of

dismissal, holiday pay rights, the place of work and provident fund schemes. In terms of pay the employee may be compensated through wages, a salary or by commission. In addition to monetary compensation, the employee contract often include a benefit package which may include a retirement plan, required hours of work and health benefits (<http://www.gov.co.za>).

All employees have a set of rights that include the following; a minimum statement of employment terms and statutory sick leave. The employer must provide the employee with a minimum notice period if he would terminate their services and the employee may not be unfairly dismissed and is also entitled for maternity; paternity and adoption leave pay and time off for emergencies. The employee is also entitled for statutory redundancy pay. Some of these rights might require the employee to have a minimum length of continuous service with a employer before they qualify for these benefits. (<http://www.directgov-employment>).

The function of operations management is to maximise all resources available to the supermarkets and the human resources is one of the most important resource available to supermarkets and in other organisations. The most profitable organisations have organised their operations around customers and allow these customers to interact with the employees. Customers are not bothered with who owns the retailer; they just want their problem solved, questions answered and their money for their purchases taken by the first available employee (<http://www.gov.co.za>).

This aligns to the theory proposed Levy and Weitz (2007) about managing their five critical assets; Dunne, Lusch and Griffith (2002) empowering employees, has been widely adopted by South African supermarkets today.

2.5.4.3 General Comments about Employees

Retailers who generally pay their staff low wages, attract low quality employees, which perpetuate

the low wages – low quality employee cycle. Not all supermarkets are in this vicious cycle, many have side stepped this cycle and started to invest time and money to upgrade their employee's expertise. Very often it is employees that differentiate between high quality supermarkets and others. This investment by employers helps towards the growth, development and empowerment of their employees. Empowerment is a process in which management and the employees share power and decision-making authority. When employees are empowered to make decisions they become confident in their abilities, and have greater opportunity to provide quality service to customers and they become committed to the company. (<http://www.gov.co.za>).

Crotty (2010: 16), researched about the different types of work available to employee's in the supermarket industry. When Crott questioned the different supermarket's management about work availability in stores, their responses ranged from nervous, unclear and unintelligent comments about work availability in supermarkets. Furthermore, Crotty states that a Shoprite spokesperson told the reporter to take a "hike" when he was asked about the different types of work available in their company. In addition, a leading labour analyst remarked it was impossible to say anything with certainty about employment in the retail sector other than Pick n Pay, who is the most decent employer because of its direct links with the amount of labour unrest they endure and the high numbers of union membership. Crotty stated that Shoprite's annual report about employment indicates they have 83,866 employees in 17 African countries. Moreover, in an era of cost cutting and labour brokers, it is most likely that Shoprite uses labour brokers extensively. Furthermore, other supermarket chains talk about "fulltime equivalents, standard and non standard employees, casual and flexible employees" but are vague about naming the employer. In conclusion the reporter stated that the consumers may not be interested in whether these jobs are "Dickensian" than decent (Crotty, 2010: 16).

2.5.4.4 Conclusion of Employees

In the fore mentioned section a general overview of various aspects and different types of employees working in the supermarket sector were discussed. In the next section the concept of employment is discussed.

2.6 CONCEPT OF EMPLOYMENT

2.6.1 Definition

According to Black's Law Dictionary (1979: 471), indicate that employment is a contract between two parties, one being the employer and the other being the employee. An employee can be described as "a person in the service of another under contract of hire". The employer's intentions are to generate a profit and the employee provides their labour to the organisation in return for wages. Employment also exists in the public, non-profit and household sectors.

2.6.2 Development of Employment

During the depression years, the focus was on employment because it was scare and to not work meant starvation. Families were separated because men went in search of employment wherever it could be found. Due to the scarcity of employment in the 1930's life expectancy was not high as the present instant (Budd and Bhave, 2010: 5). To avoid starvation the options available to families was to move back to their parents and this provided little comfort because most of their parents were dead or did not have the resources to provide for them. World War 2 saw the reversal of supply and demand because the manufacture of war equipment and supplies was expedited creating abundant employment opportunities. The absence of men as a result of recruitment by the army created huge labour demands that could only be met by women and those men that did not enlist. During the post World War 2 period the picture in the workplace changed dramatically, women replaced men at the

work because the enlisted men to the army were sent overseas to fight. The demand on war supplies had subsided when the war ended, the social phenomena and urban sprawl created new demands for supplies that created new jobs in road building and housing estates (Budd and Bhawe, 2010: 5).

According to Pride and Ferrell (2010: 82), the original baby boomers were born between 1946 and 1964 accounted for nearly 25% of the United States population. When the baby boomers left school and started working in the 1970's, the oil crisis and the economic lag slowed the organisations engagement in consumerism. As the 1980's dawned the baby boomers the largest generation of people in the United States were at their peak in terms of income and were occupied in purchasing homes or vehicles and investing for their future. Their large numbers created competition for jobs causing the employer to become selective in their choice of candidates to fill their vacancies. As a result the employees had to become more productive so that they could maintain their jobs from the competition. Commitment to their jobs became very important because it provided social status by having a good job. This was the era when during introduction to someone the approach was "so, what do you do" (Pride and Ferrell, 2010: 82).

According to Lamb, Hair, McDaniel, Boshoff and Terblanche (2008:45), the United States Generation X citizens were born between 1965 and 1979 approximately seventeen million children were born in this age group being the smallest group in the last fifty years. When the baby boomers retired there were very few Generation X workers to replace them. This situation resulted in organisations becoming more accommodating and tolerant towards the workers in order to attract the best workers. Benefits were developed to offer attractive options for a generation that had more choices. In the next section models of the different employment relationships is discussed.

2.6.3 Models of Employment Relationships

Researchers and scholars conceptualise the employment relationships in various ways because of the various options available to the employees. The key assumption is the extent in which the relationship includes conflict of interest between employer and employee. In Human Resources, theorising is assumed that employer and employee have a stake in the organisation and any conflict arising between employer and employee from this relationship can be a manifestation of poor Human Resources relationship policies or interpersonal clashes such as personality conflict. Viewed from the pluralist's industrial relationship the employment relationship is characterised by various stakeholders with legitimate interests and conflict of interests are seen inherent in the employment relationship. As a result there are four common structures that assist and influence employment and these are as follows: Mainstream Economics, Human Resource Management; Pluralist Industrial Relations and Critical Industrial Relations (Finnemore, 2002: 7).

2.6.3.1 Mainstream Economics

Mainstream economics conceptualise the employment relationship as a mutually advantageous transaction in a free market between employer and employee. According to Pape (2000:21), in free market economics, when business, make a large profit they build factories and produce more goods. This obviously creates more jobs for the workers and when workers have more jobs they have money to spend. When workers spend their money this means that they are giving more money back to business. Free market believes that government is the one major obstacle to the success of this model (Pape, 2000: 21).

2.6.3.2 Human Resource Management

Human Resources management is a staff function with the aim of helping other functional

management to apply and utilise human resources as effectively as possible within the organisation.

The human resources department requires objectives to direct their activities to be carried out. The three main objectives are as follows:

Objective 1: “to establish the belief that the human resources of any organisation consists of unique individuals who can make a meaningful impact on the success of the organisation”;

Objective 2: “establishing how employees and organisations can adapt to each other to the advantage of both parties”; and

Objective 3: “the support by human resources managers of the other line managers and staff in the execution of their tasks related to human resources and the management of people” (Nel, Gerber, van Dyk, Haasbroek, Schultz, Sono and Werner, 2002: 47).

2.6.3.3 Pluralist Industrial Relations

According to Finnemore (2002: 5), “liberal pluralism in political terms accepts that society is composed of diverse competing groups and extends to each the right to freedom of association and to further the interest of their members by any legitimate means”. In addition, the author indicate that pluralism developed in the “United Kingdom and United States”, with collective bargaining becoming the major criteria in dispute resolution in these countries. Declining union membership as a result of globalisation, privatisation, global competition and changing nature of work impacted on the collective bargaining process in many ways. There was a substantial reduction in the powers of the unions in these countries. Pluralism leans heavily towards strikes, and is becoming increasingly questioned about its validity in the workplace. Indications by the author suggests that collective bargaining is based on unfavourable terms and is perceived to be disruptive and too costly for any

country or company to compete in the global arena. The effectiveness of any countries labour relations must be in providing a climate that is conducive to the promotion of a productive workforce that is critical in competing in the global arena (Finnemore, 2002: 5).

In addition, Finnemore (2002: 7), indicates that Industrial Conciliation Act of 1924 was the first labour legislation that structured relations between employers and unions in South Africa. The act was modelled on the pluralist principles of promoting collective bargaining between employer and or unions. The Act excluded "black people" from the definition of employees. This situation continued in South Africa until 1979, when most employees and their unions were granted "legal status". "Black and White" people were for the first time included in the pluralist system of labour relationship.

2.6.3.4 Critical Industrial Relations

Critical Industrial Relations relates to employment that is an unequal power relations between competing groups. In 1973 widespread strikes by "black" workers over wages erupted in Durban and quickly spread to other centres. Industry came to a standstill revealing the full power of the "black" worker. The government appointed the Wiehahn Commission to introduce new recommendation at the work place. Some of the commission's recommendations were as follows:

- The commission recommended the granting of "freedom of association to all workers irrespective of race and status of the workers";
- "Autonomy was granted to the unions in deciding the membership criteria to be applied";
- "Apprenticeships was to be opened to all races and also the appointment of the Manpower Association to serve as monitor"; and

- “Restructuring of the Industrial Tribunal into a Industrial Court”.

The government responded to the recommendation with caution. In 1979 the government introduced a number of amendments to the Industrial Conciliation Act which included black employees for the first time (Finnemore, 2002: 25). In next section the different types of employment in supermarket is discussed. Some of the different types of employment available in the participating supermarkets are as follows:

2.7.4 Permanent Employment

Permanent employment is the most common form of employment and in this type of position the employee usually gets a package that involves salary, health benefits and perhaps some other perks such as bonuses, personal incentives. Permanent employees often *have* opportunities for education and personal development. For the permanent type of position there are different payroll deductions, both employee and employer must contribute to the employment insurance, pension plan / provident fund, income tax and union dues if applicable. In addition the employee is eligible for government support in the event that he / she lose their job due to no fault of their own from the unemployment insurance fund. Permanent employee generally work about 45 hours per week and receive a full weeks wages and conditions for working the hours are identified in the award (<http://www.gov.co.za>).

2.6.5 Contract / Contractor Employment

This is another type of employment that is functional in nature and which entails the contract employee/contractor being paid a fixed amount of money for a particular project with no additional benefits. The worker could be hired to address a particular problem that exists for a limited period. Contract workers are not required to make contributions to the employment insurance or pension fund although they might elect to do so. To hire a contract worker, companies would prefer to deal with a registered corporation to avoid contingent liabilities (<http://www.gov.co.za>).

The difference between an employee and a contractor is not very clear. The definition of a contractor can be construed as someone who receives instructions to register their business by someone they work for. The definition of an employee is when they use the company's tools and equipment and when the company's vehicle is used and also when they wear company uniform. The benefits of being a contractor include being a boss of a group of workers and pay them for their labours and when you can choose your work hours. The contractor has control over how the work is done. There are tax incentives for work expenses conducted by contractors that can be claimed back via the tax system. Any profit made goes to the contractor only. The disadvantages of being a contractor include; sick leave, annual leave and long service payments are nonexistent. The contractor has to pay the workers compensation and public liability insurance and superannuation. They work long hours and have to acquire new business or contracts to sustain their existence. All paper work must be done by the contractor and they must follow up on payments. There is no job security beyond the contract time (www.moneystuff.net.au).

2.6.6 Casual Employment

Casual employees are normally engaged to work on an hourly or daily basis. They receive an extra loading on top of their normal rate of pay to compensate for not receiving benefits such as sick leave and paid public holidays. This loading is generally between 15 and 33 percent above the normal full time hourly rate. The casual workers also receive an extra amount equal to a further one twelfth of the casual rate to cover pro-rata annual holiday pay. Some awards specify that casuals must be paid for minimum hours per week / month. Other awards may allow employers to engage casual employees to work a certain numbers of hours. The employment of casual workers may also be restricted to a specified number of days, for example less than five days a week. The disadvantages of casual employment may include no access to paid sick leave and no guaranteed hours to work. There is no requirement for them to be handed a shift roster or receive notification of roster changes. They are not guaranteed regular income, so it is very difficult to plan a budget and

also they have limited access to loans from financial institutions (www.moneystuff.net.au).

Many jobs exist that offer occasional, weekend, evenings, and partial day or daily part-time employment. Most of these jobs on offer are in the service departments and in the hospitality industry, food stores and retail stores. There are also other types of employment such as summer jobs, internship, co-operative, seasonal, unpaid voluntary work and so on. Depending on the company these jobs pay differently, usually above the basic minimum set by the department of labour (<http://www.gov.co.za>).

2.6.7 Part Time Employment

Part time employees are those employees who by personal choice or due to employment conditions beyond their control work fewer hours than the regular staff of a business over the course of a year. Many organisations rely on a blend of full time and part time employees to attend to operational needs. Some of the industries rely heavily on one or the other types of employees. Retail sectors rely on part time employees while the work force of many service providers are composed of full time employees (www.maconomy.co.za).

South African labour legislation defines a part time worker as one who works a maximum of 24 hours per week. There are several advantages associated with hiring part time employees for example costs are lower in direct monetary compensation. Part timers are paid less than full time employees are paid for doing the same job. There is a significant amount of savings in terms of benefits by hiring part time employees. Part timers, especially college and high school students can give businesses a much needed injection of liveliness. They become in house candidates for full time jobs and are often willing to learn new task and responsibilities, and are often available during peak trading hours (Chapman, 1994: 3).

The Sectoral Determination Act 9 guarantees the part time employees the following "pro-rata" entitlements; they receive four weeks annual leave per year based on their part time weekly or monthly hours worked. If a part time employee is terminated from his job and has not taken all their annual leave, sick, long leave and allowances are all paid as a proportion of the full time benefits received based on the number of hours worked (www.moneystuff.net.au). According to (Chapman, 1994: 4) there are disadvantages associated with part-time employees as well and one of the major setbacks is that part timers are not committed to their jobs. Their long term goals are more important and this causes them to become less stable and dependable. Indications are that absenteeism amongst them is much higher and in addition their inexperience can relate to higher costs of part time employees. Some benefits of part time employment include a guaranteed number of regular and roster weekly hours that can not be altered without notice. They have access to paid sick leave within pre-determined minimum entitlements. In addition, the part timer is guaranteed monthly earnings if they are scheduled to work that allows for budgeting and access financial assistance. The part timer has access to minimum notice requirements for termination of services (www.moneystuff.net.au).

2.6.8 Unemployment in South Africa

According to statistics South Africa high unemployment rate interacts with other economic and social problems such as crime, inadequate education and poor health outcomes. In the third quarter of the year 2010 there were 29.80 per cent of Blacks unemployed compared with 22.30 per cent of Coloureds, 8.60 per cent of Asians and 5.10 per cent of Whites people. The unemployment rate has resulted in the increase in crime, inequality and social unrest. The global economic recession has made the problem worse, wiping out thousands of jobs. In September, 2010, over a third of the South Africa's work forces were unemployed, accounting for some economic experts suggesting that higher wages negotiated by trade unions has also suppressed job growth.

According to the New York Times .com most people agree that the root of the crisis lie in the apartheid system that provided inferior education for the black people (www.statssa.gov.za).

2.6.9 Conclusion of Employment

This section discussed the various types of employment solution that is available in the supermarket industry. In the next section the concept of absenteeism is discussed.

2.7 CONCEPT OF ABSENTEEISM

2.7.1 Definition

Heads (2005:1), defines absenteeism as unscheduled employee absence from the workplace. There are many causes of absenteeism and some are legitimate, for example, illness, family issues, and absenteeism can also be traced to factors such as poor work environment or workers lack of commitment to their jobs. Heads stated that when absent employees return to work management must keep clear and precise records and hold the employee accountable for their absence from work. Isrealstam (2004: 14); supports the theory that desertion must not be included in the definition of absenteeism because the employee has no intention to return to work. Therefore, desertion is not covered in this empirical study.

According to Ahiquist, Beever, Edmunds, and Knott (2007:1), it is important to understand the meaning of absenteeism and then to assess the variables that leads to this phenomenon. While there are many critics about the transition of the retail sector, some still remain while much has changed since then as the industry evolve towards a more customer focused paradigm. Traditional players and new entrants are positioning themselves towards a more customer orientated industry which can be attained by curbing absenteeism. Furthermore, supply and demand is the forces at

work in the retail consumer markets and drivers of innovation in most industry. Munro (2007:22) suggests that the definition of absenteeism is employees being absent from their workstations, this could include being off sick, taking extended tea / lunch breaks and absencing themselves from work without permission.

Various authors (Johns 2000; Heads 2005; Levine 2006; Munro 2007 and Roman 2009), provide their views about the employee absenteeism reasons and abuse of the sick leave system and the findings of employee absenteeism are revealed. According to the authors absenteeism could simply be described as when the employees of a service provider do not avail themselves to their employers in accordance of their contracts of employment. These concepts can be ascribed as independent variable factors. There are different reasons why employee are absent from their work stations. But the effect remains the same such as impeding managers to produce profitable results for their companies.

According to Sanders (2004: 136); McGregor, Cunningham and Caverley (2006: 612); Munro (2007: 23); and Renna (2008: 101), various authors examined the theory of reducing absenteeism within organisations. Some of the factors examined by the authors were work-family policies (Schwart, 1996), corporate wellness programmes (Ho, 1997), prior absence (Gellatly and Luchak, 1998) return to work policies (Cunningham and James, 2000), job characteristics (Pousette and Johansson Hawse 2002), sick leave pay (Skatun, 2003) and work ethics (Martocci and Juneno, 2003), all these authors have added mostly positive influences on absenteeism.

According to the Basic Conditions of Employment Act 1997 employees requires a medical certificate after two consecutive days of absence or if they are frequently absent. In addition, the Skills Development Act, 1994, compels an employer to assist employees with special problems, such as alcohol dependency or drug addition to re-enter the labour market. These ramifications compel the employer to ascertain the nature, length and frequency of the employees absences and attempt to

resolve the employee's absenteeism situation before dismissing the employee. Although the law favours companies in terms of absenteeism, they need to prove that the employees dismissal was the appropriate step. Dismissing employees for absenteeism is the last step when all else fail. It has become clear that employee absenteeism must be managed by sound company policies grounded within the ambit of the labour legislations.

Robbins (1996) cited by Munro (2007: 21), claims that at times employee's absenteeism is an advantage to the organisation, when the sick employee is present and is unable to be productive they are paid for being unproductive. For example, the employee's productivity levels are below the normal requirement due to fatigue, which could jeopardise health and safety regulations, and could have serious repercussions for the organisation. In addition, organisations favour no / low absenteeism amongst the staff to meet organisation goals and objectives in their desire to achieve economy of scales. Moreover, sick / unproductive employees see themselves as being present at work, the employer regard them as being paid to be unproductive and a disruption in the work situation. This employee unproductively could include being absent from work, taking extended tea / lunch breaks, shopping during working hours and absenting themselves from the workstation without permission. When an employee is unable to render his services to the employer, they have to provide proof for their cause of absence. The proof might take the form of a doctor's certificate offering reasons for the employee's absence.

According to statute law, the Basic Conditions of Employment Act (5) (BCEA) an employer is required to pay the employee if he / she is too ill to work provided a medical certificate is produced excusing the employee from attending work. The employer has the right to check the validity of the sick certificate.

(Levine, 2006 and Haun, 2006) cited by Munro (2007: 22), suggests that untrained supervisors are the main cause of absenteeism because of their inability to lead and motivate the employees. The

author also indicates that low pay, poor benefits and high workloads do not contribute significantly to absenteeism whereas low job satisfaction, repetitive work and unfair treatment from under trained supervisors contribute directly to employee absenteeism. Moreover, weak leadership causes low morale amongst employees resulting in high absenteeism. According to Hunt, (2000:15) employees are in the habit of creating similar patterns of absence from work. According to Sagie (1998: 156), absenteeism is a costly problem attracting "Theoreticians and Practitioners" like Hackett (1989). In addition Sagie cited March and Simon (1958) identified two basic types of absences: involuntary (certified sickness and funeral attendance) and voluntary absences (example vacation and uncertified sickness). Stelzner (2005: 2), supports the theory that presenteeism is another aspect of absenteeism. This refers to the employee reporting to work, and is not rendering a service due to various reasons, for example, chronic ill health or for personal reasons.

Jacobs (2001: 2), was supported by Levert, Lucas and Orlepp (2000), provides the following high stress level employee's display: frequent illness, persistent fatigue, irritability, nails biting, lack of concentration, increased use of alcohol and drugs and poor interrelationship with other employees and management. Jacobs questions these signs and contemplate if these warning signs can be applicable to all our racial and cultural groups in South Africa?

According to Van Zyl (2002: 28), the following signs of stress can be used by supervisors to identify if an employee is stressed. These indicators are: a sudden high incident of frequent absence from work and a sudden tendency towards isolation and withdrawal. The employee's initiative and creativity levels decrease. They become moody and has emotional outburst and become hyper sensitive to criticism. The individual becomes absent minded and lose drive and motivation in the job. In addition, the author cited the spokes person for the South African Democratic teachers union indicated that stress was one of the main reasons for high sick leave ratio amongst the teachers, while in the rural areas transport problems often lead to absenteeism.

Fredericks and Sheldon (2010: 6), indicated that a study conducted by the Human Sciences Research Council (HSRC) found between ten and twelve per cent of teachers in South African schools are absent in any given day. In addition, the HSRC found between twenty and twenty four days of instruction time were lost per teacher in a year. It is true that absenteeism is affected by a diverse set of factors, In Jacobs (2001) high stress levels; Levine (2006) and Haun (2006) untrained supervisors; Johns (2000), Heads (2005), Levine (2006), Munro (2007) and Roman (2009) sick leave abuse are some of the reasons provided. There are two types of absenteeism (innocent and culpable) that requires different types of approaches.

2.7.2 Innocent Absenteeism

Innocent absenteeism refers to when the employees are absent from their workstation for reasons beyond their control e.g. injury and sickness. Therefore, innocent absenteeism is not culpable and which determine that it is blameless on the employee's behalf. Moreover, this form of absenteeism cannot be remedied by progressive discipline

2.7.3 Culpable Absenteeism

Culpable absenteeism refers to when employees are absent from their workstations without permission for reasons within their ambit of control. For example, employees take off sick when they are not sick, this is termed culpable absenteeism. To be culpable absent is to be blameworthy. Therefore, the employee can be disciplined. Many causes of absenteeism are valid excuses such as personal illness or family issues. Absenteeism can be traced back to poor working conditions or lack of commitment by the employee toward his work.

Excessive employee absenteeism in any organisation could impact on production, productivity levels and profitability of the business. The employee absenteeism has a magnitude of hidden costs and

consequences to any organisation. The following is some of the hidden cost factors associated with absenteeism for example lost productivity of the absent employees and the company has to pay overtime to their regular employees who fill the gaps. There is decreased overall productivity of those employees working overtime due to fatigue and there are costs associated to securing temporary staff to fill in for the absent personnel. This could result in loss of customers due to dissatisfaction of service and morale problems (Ceniceros, 2000: 9).

The cost of absenteeism is within management's control. This cost saving could be achieved if they change their style of management to discourage absenteeism and motivate the staff to attend work. Any organisation without, absenteeism policies must develop one because it would assist in minimising excessive absenteeism. Most employees are loyal workers with good attendance records, but a few employees trend to exploit the system by taking more sick days than is due to them. Most companies have one or two policies in place to address absenteeism. The first policy distinguishes between scheduled and unscheduled absences. The employees are given a set number of scheduled day off for the year to attend to personal and family matters and also set number of vocational days. Workers taking more than their allotted sick days may be allowed to utilise their vacation leave. The second policy permits each employee to a specified number of absences per year. This policy does not consider the reason for their absence (Gail, 2003:12).

In the first policy when the employee's days are used up, they could be subjected to disciplinary action. Management must realise that they are custodians of discipline and if they do not apply company policies and procedures, this will render the absent policies ineffective. Frequent absence from the work place might be an indication of poor employee morale because they are dissatisfied with their jobs. This type of dissatisfaction may lead to employees missing work because they are dissatisfied with the work itself. Companies without a absent policy in place need to urgently develop one and to keep accurate records of individual employee absence which could assist them from being sued by the individuals. Management must take cognisance of the financial impact

absenteeism has on the business and they must monitor the months and days that have high absence and distinguish between the various types of absenteeism (Anderson, 2002: 18).

Broadbridge (2002: 6), indicated that a quantitative approach to absenteeism is threefold; staff, store and customer. The effect on staff is work overload, working long hours and unrealistic expectations on the employees, as well as training and development grinds to a halt. The outcome for staff is decreased employee well being and increased conflict and resentment amongst employees and management resulting in decreased morale, commitment levels and increased absenteeism and labour turnover. The outcome for the store is the loss of skill, knowledge, continuity, productivity and disruption to other workers and as a result, customer numbers decrease. Outcome for the customers accounts to poor services being rendered by the employees.

McHugh (2001: 6), suggests that when service quality is adversely affected as a result of employee absence, and that there is added pressure on management to address customer complaints. The author stated that absenteeism must be addressed because the consequences will be disastrous to the organization is becoming a costly burden for organisations.

Yorges (2007: 1) claims that absenteeism is on the rise and two out of every three employees not reporting for work is not really sick. Yorges states that the responsibility for addressing absenteeism in most companies fall on the supervisors because they are the first to be informed about the employee's absence. Their constant interactions with the employees determine the effectiveness and success of the company's absenteeism programme. Unfortunately the supervisors in most companies are not equipped with knowledge about the labour laws to handle employee absenteeism. It has become necessary for organisations to equip and train their supervisors in order for them to be competent in industrial relations and to resolve absenteeism problems at work. Management must ensure that all employees are aware of the company's absent policies and

procedures through their induction and training problems. Yorges stated that there are a number of critical considerations that supervisors need to address before they tackle absenteeism for example, ensuring all employees are aware of the company policies and procedures for dealing with absenteeism. The employee must be informed that their immediate supervisor must be the first point of contact when an employee phones in sick (Yorges, 2007: 1).

Munro (2007: 22), cited Isrealstam (2004), indicated that by informing the employees that absenteeism will be monitored assist in lowering the employee absent figures. Furthermore, management has to apply two easy steps to check all cases of absenteeism. The first step is to meticulously record all absenteeism of each employee every day and also record the duration and the reason provided for their absence of each employee every day. The second step is to follow up on each case of absenteeism by visiting the sick employee at their home. Management must conduct interviews with the returning sick employees and write letters to them enquiring about their absence from work and receiving acknowledgement from the employees on receiving the letters. Yorges, (2007: 1), management must maintain an accurate record of their employee absence. In addition, management must learn to identify patterns and trends of absence that causes concern to the employee and address the situation with them. They must conduct interviews with the employees when they return to work and implement disciplinary action when necessary. Furthermore, Yorges state that absenteeism usually reduces when it is announced that steps will be taken to monitor all cases of absenteeism.

Sieberhagen, Rothmann and Pienaar (2009: 144) cited the South African Department of Labour (2004) indicates that the world – wide estimation on job related illness and accidents is four per cent (4%) of G.D.P. (Gross Domestic Products). Furthermore, small and medium enterprises are most affected because of their poor working conditions.

According to the Basic Conditions of Employment Act of 1997 (BCEA) employment is based on an

agreement between two parties, an employer and employee. "The employee has a fundamental obligation to tender his/her services to the employer and the employee is contractually obliged to pay the employee for services rendered". According to Workmen's Compensation Fund (1999) quoted in Sieberhagen, Rothmann and Pienaar (2009: 144), the number of man days lost to illness is estimated at over twelve (12) million and further losses do not include labour unrests in South Africa. In addition absenteeism does not include annual leave, maternity leave and authorised absence such as compassionate leave. When an employee fails to report for duty or inform management about his/her absence the employer records absent against the employee (Heads, 2005: 1).

According to Hilton, Sheridan, Cleary and Whiteford (2009: 38), the consequences of absenteeism on service quality and productivity should be of concern to the employer, corporate, management and government entities. The most common denominator of service quality and productivity is "absenteeism and presenteeism (not working at capacity)", workplace accidents and employee attrition. Marais (2005: 11), stated that absenteeism from work is costly and shows deeply rooted organizational problems which are a symptom of organizational ill health. The author stated that employers are frequently faced with employees being absent from work, without permission. Over the years employers have developed rules to manage such uncertainty.

Munro (2007: 21), suggests that absenteeism means different things to employers and employees. For the employer, absenteeism impacts on service delivery which could lead to lower productivity and profits for the organisation. From an employee perspective it could mean a loss in take home pay. Furthermore the author cited Adams (2006) claims that poor leadership creates stress amongst the employees in the workplace. The author indicates that research conducted on employee stress was identified as a major cause of absenteeism conducted on non academics at an American University.

According to Johns (2007a), cited in McGregor, Cunningham and Caverley (2006: 607), environmental influences could be associated with absenteeism at the workplace and these may

include poor employee morale, personnel conflicts, unsatisfactory compensation and benefits programmes, unrealistic job expectations, inadequate training, and unsafe or stressful workplace conditions. The authors indicated that absenteeism might occur when the employees are unaware of the amount of sick leave due to them. In addition the authors indicated that they associate migraine headaches and emotional problems such as depression with absenteeism.

Absenteeism specialists, AIC Insurance, found that employees in the 31 to 40 year age group recorded over 4000 incidents of sick leave in a year, whereas their older colleagues, in the 51 to 60 year age group recorded over 1500 incidents. Johnson concludes that older employees take more time off, but it is the younger employees who are absent more often. AIC Insurance CEO Johnson said that statistics show that employers are not managing absenteeism adequately and that the employee abuse the sick leave system. Johnson stated that the report, which surveyed 60 South African companies over a period of a year, found that particular patterns suggest that the sick leave system was being abused. In addition, Johnson suggest that if employees are taking sick leave of one day durations, more often than average, then they are most likely abusing the system. Johnson, indicates that If different doctors are used every time an employee is booked off sick it is an indication that the sick leave system is abused (<http://www.finance24.com>).

McGregor, Cunningham and Caverley (2006: 607), stated that when employees enter an organisation with certain expectations and are not afforded the opportunity to exercise these expectations, frustration sets in and also boredom sets in and they stay away from their work by being absent. Furthermore, they indicated that if a tolerant culture for absenteeism exists in the organisation, employees will take advantage of the situation and not report to work for various reasons. Due to increased pressure on management to produce good results, they tend to ignore staff absenteeism in their organisations thus avoiding conflict with staff and union representatives.

Naidoo (2006: 25), suggests that South African workers take too much sick leave and provide false claims about their sickness. Two of the most incredible excuses recorded by men about their sickness is a visit to a "gynaecologist" for "painful menstrual cramps". Another excuse provided by an employee on a sick note from a traditional healer claiming that the employee was suffering from "headache (stress)" because "he is thinking too much." Naidoo cites risk management company, Lekana Employee Benefits Solution, found an employee had been booked off sick for sixty days for nausea and another two employees handed in exactly the same photocopied sick note. Lekana conducts employee analysis for South African corporations and the government (Naidoo, 2006: 25).

Naidoo claims that Lekana conducted researched on two million sick notes and their findings revealed that sixty percent of the South African employees take sick leave every year and forty percent of the sick notes handed in are for fake illness. Research was also conducted to provide companies with a bench mark for acceptable sick leave patterns. Naidoo also cites Old Mutual's Louisa Botes a specialist in sick leave trends stated "that there is a sick leave problem" in South Africa. It has become necessary for organisations to research the absenteeism problem and to find solutions.

According to Munro (2007: 23), employees must be disciplined for poor timekeeping when they are absent from the workstation because, it impact on the organisations wage bill and work ethics. Poor timekeeping includes arriving late for duty and leaving work early without permission, taking extended tea, lunch breaks and toilet breaks and attending to personal business during working hours: this could include sending and receiving personal e-mails, surfing the internet for non-work related matters, or any other activity that is of a private business nature.

In addition, the consequences of being absent from the workstation without permission and poor time keeping could result in non-mandatory discipline, against the perpetrators. Non mandatory discipline include poor time keeping, arriving late for duty on a regular basis, leaving work early,

taking extended tea and lunch breaks or toilet breaks and attending to private business during working hours. Culpable absenteeism is not only prevalent in supermarkets but across all sectors of industry for different reasons as proposed by McGregor, Cunningham and Caverley (2006) employee expectations; Naidoo (2006) false claims; Johns (2007a) environmental influences and McHugh (2001) service quality affected. In the next page the causes of absenteeism by various authors is discussed.

2.7.4 Causes of Absenteeism

According to Johns (2007) cited in McGregor, Cunningham and Caverley (2006: 612), indicated that "entitlement mentality" is a major cause of absenteeism because the employee knows that they are entitled for a set amount of sick days annually. The authors stated that repetitive and monotonous tasks results in boredom which has been linked with a host of unfortunate behaviours. They also indicated that bored employees have poor work records, more accidents, higher absenteeism and a tendency towards such anti social behaviours such as delinquency and substance abuse. In addition, Johns suggest that fellow workers do not consider stress and emotional issues as reasons for being absent from work.

Sieberhagen, Rothmann and Pienaar (2009: 1) cited Temkin (2004), stated that executives in South Africa also experience high stress levels. Their stress levels are aggravated by exchange rate volatility, commodity prices, fluctuating interest rates, changing legislations and empowerment charters.

The authors, Yorges (2007: 1) and Munro (2007: 21), indicated that there are different reasons why employees are absent from work, factors such as HIV / AIDS, substance abuse, alcoholism, depression and anxiety-related conditions due to stress, are but a few factors that contribute to absenteeism. In addition the authors stated that when employees enter an organisation with certain

expectations, and are not afforded the opportunity to express these expectations frustration sets in. In addition, when the employee's are mismatched with the job requirements, they become bored and stay away from work. High tolerance levels of organisations towards absenteeism leads to employees exploiting the situation. Due to increased pressure on management to produce good company results, they tend to ignore the effects of absenteeism in their organisations.

Sanders (2004: 138) cited Allegro and Veerman (1990), suggests that management use the three different colour distinction when speaking about absenteeism. For example, the colour white absenteeism is referred to when an employee is booked off sick with a fever or a broken leg. Grey absenteeism is refers to when an employee's illness is psychological such as headache, stomach-ache or tiredness. Black absenteeism is when an employee is not sick at all but reports himself sick. Sanders (2004: 138) cited Van Dierendonck, Le Blanc and van Breukelen (2002), indicated that black absenteeism can be seen as inconsiderate employee behaviour towards their colleagues because productivity still has to be maintained with fewer employees.

According to Parsee (2008: 523), absenteeism occurs when the employee is away from the workplace for a short period of time. The unauthorised absence of the employee from the work includes, arriving late for work, leaving work early and taking extended lunch and tea breaks. The employee has a common law duty "to enter and remain in service" of the employer. When an employee is absent from work they are in breach of his common law duties.

According to Renna (2008: 101), alcohol abuse and alcoholism are generally perceived as social problems and empirical evidence indicates that every time a employee is absent their salary must be subjected to a drop in earnings. In addition, Renna indicated that there are two reasons why employees are absence from the workplace. Firstly the organizational cultures that incorporate the acceptance of absenteeism and also the work environment could be the cause of employee

absenteeism. Secondly workplace stress is another reason for employee absence because management is under pressure to achieve company goals and they in turn exert untold pressure on employees to become more productive with fewer employees.

Munro (2007: 21), suggests that absenteeism has different meaning for employers and the employees. The employers view on absenteeism; it is a major problem because it disrupts service delivery and increases the work load of employees that are at work. It also has health and safety concerns at the work place which could lead to loss in revenue and employee well-being to list a few examples.

Sanders (2004; 137) cited Mowday and Sutton (1993); House, Rousseau and Thomas-Hunt (1995); Griffin and Hofmann (1997); and Rousseau and Fried (2001), indicated that too little attention was focused on the effects of employee behaviour. According to McHugh (2002: 724) there are different reasons why employees may be absent from work. They could be experiencing ill-health or it may be that work environment cause's employee's to absent themselves from their jobs. In addition, some of the employees indicated that they did not go to work because they were angry with other employee's or even fearful of them.

Barham and Begum (2004: 6), suggested that employees working shorter hours per week are more likely to be absent from work than employees working longer hours because of the amount of time spent away from work. Sieberhagen, Rothmann and Pienaar (2009: 145) cited Jones and Hodgson (1998), indicated that studies conducted in the United Kingdom showed that musculoskeletal disorder topped the list of major causes of employee ill health and which was closely followed by stress related illness.

According to Cartwright and Cooper (2002) cited in Sieberhagen, Rothmann and Pienaar (2009: 145), suggests that employees poor health is due to stress, which can be as a result of work place

conditions that may have positive or negative effects on the employees. Furthermore, Cartwright and Cooper stated that poor health may not be as a result of work place stress because individuals may choose not to lead a healthy lifestyle or they may be unaware how to lead healthy lifestyles.

According to Hilton, Sheridan, Cleary and Whiteford (2009: 37), psychological distress is associated with increasing absenteeism. Mental disorders are a leading cause of disability linked with absenteeism (reviewed in Wang, Simon and Kessler, 2003; Simon, 2003; Sanderson and Andrews, 2006 and Dewa, McDaid and Ettner, 2007).

Gray (2005: 18), suggests that absenteeism rate above 5 per cent is an indicator of dissatisfaction amongst the employees, poor labour relations and a lack of management leadership at work. In addition, Gray suggests that job satisfaction plays a pivotal role in generating absenteeism. Furthermore other factors such as HIV / AIDS, substance abuse, alcoholism, depression and anxiety-related conditions due to stress play a major role in absenteeism.

Roche, Pidd, Berry and Harrison (2008: 746), suggests that males and young workers are more likely to report alcohol related sickness. According to Adams (no date provided) cited by Munro (2007:22) suggests that identifying one cause of absenteeism is impossible but it is evident that poor leadership creates stress amongst employees. The authors indicated that research conducted at a American University identified stress as a major cause of absenteeism at the workplace..

According to Van Zyl (2002: 26), the people in the modern era are threatened by psychosocial stress due to aspects such as over population, competition, economic crisis and time pressures. Pienaar (1998: 1); Van den Bergh (2001:3); and Jacobs (2001: 1), defines stress as a reality of life that is unavoidable, good and bad, constructive and destructive. The destructive nature of stress is reflected on the cost factor. Pienaar, Van den Bergh and Jacobs's support the theory that the

probable symptoms of stress has resulted in the high divorce rate in South Africa which is the third highest in the world. The incidence of heart attacks in the country is the fifth highest in the world. There are too many South Africans in jails and the number of motor accidents in the Western Cape is amongst the highest in the world.

Fredericks and Sheldon (2011: 6), suggests that there are three main reasons why teachers are absent from school: the first reason is because they are ill; secondly they take off sick for private matters and family responsibility. The third reason teachers absence themselves from school is because they were on official school business attending workshops and meetings. Some of the sick reasons given by employees are identified by Cartwright and Cooper (2002) stress; Van Zyl (2002) psychological stress; Roche, Pidd, Berry and Harrison (2008) alcohol related illness; Sieberhagen, Rothmann and Pienaar (2009) musculoskeletal disorder and Renna (2008: 101), alcohol abuse, by the various authors as being causes of absenteeism that display similar themes.

2.7.5 Effects of Absenteeism on the Company

In terms of the common law, a contract of employment is subjected to an agreement between two parties; the employer and employee. The employee is obligated to avail his services to the employer and the employer has to pay the employee for his services that they render. If the employee fails to make their services available to the employer, such events must be documented as absenteeism (www.Directgov-employment.org)

Sanders (2004: 151), cited Schmitt and Kuncce (2002); Schmitt, Oswald, Kim, Gillespie and Ramsay (2004), indicated that research provided evidence that employees have difficulty answering the question "how many days in total were you absent in the year". Sieberhagen, Rothmann and Pienaar (2009: 146) cited Noemdoe (2002), stated that stress could negatively influence organisations

production, increased errors in production, employee related accidents, high labour turnover, absenteeism and medical costs. In addition, the authors indicated that twenty five per cent of South Africa's workforces contribute to work deterioration resulting in South Africa's workforce productivity falling to a ranking thirty first (31) out of forty five (45) countries surveyed.

According to Munro (2007: 21), absenteeism is one of the biggest problems confronting management on a daily basis, because it affects staff morale and incurs financial loss to the organisation. Management needs to identify the causes of employee absenteeism and find solutions to rectify their behaviour and if the behaviour persists then the individual must be subjected to the company's disciplinary procedures. The author also suggests that all employee absenteeism records must be maintained by management and they must record the number of days absent and their reasons for absence which are a straight forward process. Munro indicate that all employees must be treated the same otherwise co-workers may believe that favouritism exists in the organisation.

The effects of absenteeism on customers in a supermarket are long queues, slower checkouts, unanswered customer queries, increased frustrations, increased complaints and loss of customers resulting in their customers moving to the opposition (Broadbridge, 2002: 6).

According to Roman (2009: 592), absenteeism effect productivity levels resulting in employee effort levels become sub optimal from teams that is used to produce high turnovers. The consequences of high employee absenteeism further add momentum to the declining productivity levels resulting in demoralised employees. Roman indicate that a few companies have tried implementing attendances bonus to reduce absenteeism but this approach was not very successful because of managements tolerance approach towards absenteeism.

According to Sanders (2004: 136); McGregor, Cunningham and Caverley (2006: 612); Munro (2007: 23); and Renna (2008: 101), supports the theory that there are different reasons for employee absenteeism from the work place for example child sick, ill health. In addition the authors

agree that the effect of absenteeism impede management to produce profitable results for their organisation because of worker shortage. Furthermore, the authors indicate that the impact of absenteeism effects the organisations objectives, resulting in unattainable goals. Thus, it becomes imperative that management tackle all forms of absenteeism in a fair and co-ordinated manner so that they eliminate this unwelcome behaviour.

According to Parsee (2008: 522), claims that there are various causes of absenteeism, a typical example is employees living in the rural areas of South Africa find work in the city and when sickness besets them they travel to the farm for treatment by a traditional healer. This result in long absences from work because the traditional healers are mostly found in the rural areas and communication between employees and the company becomes difficult.

Barham and Begum (2004: 1), indicated that the Confederation of British Industries experienced an increase in workplace absence for the first time in years. The authors indicate that in the three months from March to May 2004, some 1,7 million scheduled working days were lost due to sickness and absence. They state that employers are aware of the direct and indirect cost of absenteeism.

McGregor, Cunningham and Caverley (2008: 607) cited Williams (2003), concluded that various types of service organizations and environmental influences could be associated with absenteeism at the workplace and these may include poor employee morale, personnel conflicts, unsatisfactory compensation and benefits programmes, unrealistic job expectations, inadequate training, and unsafe or stressful workplace conditions. Moreover, employee absenteeism on the organisation and society is substantial. Williams indicated that in Canada billions of dollars are lost each year due to absenteeism.

In addition, Parsee (2008 523), stated that terms used in time related employee incidents are abscondment, absenteeism, and desertion. Abscondment occurs when the employee is absent from work for a long time. Absenteeism occurs when the employee is away from work for short periods of

time. Desertion occurs when the employee has no intention of returning to work. There are different reasons why employees are absent from their work stations, but the effect remains the same as many literature pieces consulted promote this notion. The effects of absenteeism may impede managers to produce profitable results for their companies because absenteeism has a direct impact on the organisations objectives, effecting the costs to the organisation.

Research indicate that by the year 2013, approximately 25% of the adult population in South Africa would be affected by HIV / AIDS, causing major strain on organisations and their employees, thus resulting in it becoming one of the major causes of absenteeism ([/www.hivaid.co.za](http://www.hivaid.co.za)). According to Geffen (2006: 3), empirical research on HIV / AIDS statistics, indicate that the projected estimates by Arndt and Lewis (2000:1), was reached and passed in the year 2005 see p.177.

According to Munro (2007: 21), absenteeism is a major problem that managers have to tackle on an ongoing process because it impacts on service delivery, staff morale and often leads to financial losses to the organisation. Moreover, McGregor, Cunningham and Caverley (2006: 208), claims that absenteeism creates various problems such as paying overtime, hiring temporary staff for the employer and also lead to low morale amongst the co-workers because they have to work harder. The authors stated that absenteeism is an abuse of the sick leave system and their research on employee absenteeism revealed that these sick leave abuses can be described as independent variable factors.

According to Ndenze (2010: 1), the City of Cape Town is experiencing high levels of absenteeism, with employees taking thousands of unpaid and unauthorised sick leave during the first half of the year costing the city thousands of Rands. The reporter stated that the absent report was tabled during the financial portfolio committee meeting indicating that more than 9000 working sick days were taken by employees during the period 1st January to 31st June, 2010. Moreover, the report

indicated that the financial directorate listed absenteeism as one of its biggest challenges the city of Cape Town is facing.

According to Stelzner (2005:3), presenteeism is linked with loss of productivity due to employees attending work with health problems and they are not productive. Although this might not be considered as serious but it is the main contributor to the decrease in production. In addition, the author state that studies undertaken suggest that presenteeism causes greater loss than the cost of absenteeism. MacGregor, Cunningham and Caverley (2008:607) cited Stewart, Matousek and Verdon (2003) and Goetzl, Long, Ozminkowski, Hawkins, Wang and Lynch (2008: 607), stated that the costs of sickness absenteeism is high, but estimates suggests that sickness presenteeism is much more costly. In addition employees without sick leave due to them are substituting sickness absence for sickness presence.

According to Sieberhagen, Rothman and Pienaar (2009: 1), worldwide estimates indicate that job related accidents and illness claim more than two million lives annually. While 270 million accidents and 160 million illness occur over the same period worldwide. In addition, the authors stated that these accidents and illnesses account for about four per cent in the reduction of the Gross Domestic Product of the global economy annually.

According to Roche, Pidd, Berry and Harrison (2008: 746), more than 40 per cent of the Australian workforce consume alcohol at risky or high risk levels and has significant consequences for the company and the workers and they are most likely to be absent from their work stations effecting productivity levels.

Roman (2008: 592), indicated that research conducted at a large manufacturing plant revealed two critical situations that developed when the companies payed their workers attendance bonus.

Firstly, it was quite evident that attendance bonus paid to employees was not successful in reducing the absenteeism rate. Secondly, another problem experienced with attendance bonuses were coupled with the outputs of the organisation at the expense of quality.

According to Pienaar (1998: 8), stress is usually accompanied by a decline in productivity and a loss of income. Stress causes some employees to work overtime and they have to be rewarded. It can also result in the bad publicity for the company in not meeting orders.

The theories presented by Pienaar (1998) indicates that there is decline in productivity; Stelzner (2005) presenteeism exercised by part of the staff is linked with loss of productivity; Munro (2007) indicates the affects staff morale and incurs financial loss and Roman (2009) effect productivity levels is commonality amongst the different industries from the context of South African and in the world.

2.7.6 Analysis of Absenteeism

Unscheduled absences are very costly to business which could impact any organisations objectives. The organisations inability to plan for those unexpected absences means that they must hire last minute temporary workers, pay overtime to their regular employees to cover the shortfall; and they may also maintain a higher staffing level in anticipation of unscheduled employee absenteeism. There are obvious costs associated with employee absence, including consequences difficult to measure. The cost of sick leave benefits provided the organisation offer these benefits are associated with the hidden costs affecting the company's finances. Some of the notable hidden costs associated with absenteeism is as follows: the lost productivity of the absent employee and overtime being paid to other employees. The cost incurred to the company in securing the temporary employees. There is the possibility of loss of business and dissatisfied customers and problem with employee morale. The cost associated with absenteeism can be controlled if management rigidly follows the company's policies and procedures on absenteeism. While scheduled time off for

vacations and illness is invertible cost of conducting business, management must manage absenteeism to discourage excessive absenteeism will be rewarding to them and the company. Many small business owners do not have absenteeism programmes for their organisations because they have a few employees and consider it not worth the effort. Adding addendums to company policies on employee absence is effective in reducing absenteeism. Employers and management must handle all forms of absenteeism in a fair and transparent manner to minimise disharmony in the workplace.

Most employees are conscientious workers with super attendance records, however, the odd employee will exploit the system by taking more sick leave than their allocation. When an employees sick leave has been used up, they must be subjected to the company's disciplinary procedures by management. Absenteeism policies are useless if management do not implement and maintain a effective tracking system to monitor employee attendance. Most of the companies can use their payroll systems to track absenteeism. For those companies that do not have this option, they should put together a tracking system that can keep an accurate count of individual employee absenteeism and record company wide absenteeism totals. A calculation of the financial impact that employee absenteeism has on the business must be conducted indicating losses on a weekly or monthly basis. Management must detect periods when absenteeism is very high and differentiate between various types of absenteeism. In the next section the researcher has a closer look at the different approaches adopted by the various researchers about customer services.

2.8 CONCEPT OF CUSTOMER SERVICES

2.8.1 Introduction

What or who is a customer? The key to improving s is to understand the term "customer". According to McQuinn (2009: 6), any individual or group that purchases goods and services from an organisation and a broad definition of a customer is as follows:

- a) "A customer is any individual or group that purchases goods and services from an organisation";
- b) A customer is any individual or group that purchases goods and services from an organisation on a regular basis";
- c) "A customer is most valued partner of the organisation, with whom the company is dedicated to developing a mutually strong beneficial relationship in the long term"; and
- d) "Customers consist of three groups of people". "The primary customer of an organisation is their human resources, who happen to be the valued partners in the business success". "The second group of customers are direct customers with whom the company aims to build strong value-based relationships in the most viable way". "The third group of customers are indirect customers, whom this company serves indirectly through extended relationship with society".

In addition the author states that an organisations s is a process and they normally starts at "A" in the above table and progresses to "D." The author indicated that an organisation fro "A to D" movement from "A to D" in the table above represents a broader definition of a customer migration. McQuinn indicated that most of the companies are focused on category "A and B" in the table and very few focused on "C" because they had difficulty understanding this category and no

organisation is focused on "D". The requirement is for to become more focused and move to category "D". According to Kisperska-Morofi (2005: 122), customer services is a broad term and organisation needs to develop and understand the levels of service that is require to satisfy their customers. Kisperska-Morofi in his summation relates customer services to a broader form of interpretation. This may be true when customers from varying socio economic backgrounds visit retail outlets, their perception of service maybe conflicting.

2.8.2 Customer Services

The definition of customer services is the service provided by employees in support of products sold by the organisation (Lamb, Hair, McDaniel, Boshoff and Terblanche 2008: 412). Kisperka – Morofi (2005: 132), customer services remain open to different understanding and they maintain that it has a wide interpretation and varies from company to company. Hodgson (2001:117), stated that contributors to the body of knowledge are focusing their attention towards customer sophistication.

According to Fahy (1993: 33),customer services is appearing in all service marketing literature. Sonderlund and Rogengren (2007: 562) cited Winsted (2000), suggest that a smiling service worker interacting with customers affect the customer's perceptions of the organisation in a positive way. Roberts and Campbell (2007: 56) cited previous studies that documented the effect of customer services by Rust and Zahorik (1993); customer reaction Anderson and Sullivan (1993), Oliver (1999); loyalty Jones and Farquhar (2003); profitability Duncan and Elliott (2004), Lee and Hwan (2005). All of these proposals are being adopted in South African supermarkets.

Sum and Hui (2009: 98) cited Cronin and Taylor (1992), indicated that loyalty is an outcome variable in service quality. Sum and Hui (2009: 101), cited (Day: 1969) state that loyalty is a favourable customer attitude to a brand; Dick and Basu (1994), relationship and repeat patronage behaviour; Peter and Olson (1990), repeat purchase intentions and behaviours; Armstrong and

Kotler (2005:57), customer retention. Close analysis of authors Sonderlund and Rogengren (2007); Gremler, Gwinner, and Brown (2001); Hodgson (2001) indicated their views on customer services. The thought processes from these authors relating to employee absenteeism and customer services was adapted to answer the research questions.

According to Mayer, Ehrhart and Schneider (2009: 1035), services are defined by a few core attributes. For example, customer involvement, intangibility and simultaneous production and consumption are core attributes of services. In addition, Mayer, Ehrhart and Schneider (2009: 1035) cited Gitell (2005); Schneider (2004) and Skaggs and Huffman (2003), suggest that an important aspect of service is that employees and management work together to deliver superior service levels than their competitors. Plakoylannaki and Saren (2006: 218) cited Bowman and Narayandas (2001) suggest that some companies view customers as their most important asset and customer relationships, as beneficial exchanges and opportunities which need to be managed. In addition, the author indicated that word of mouth communication about services, ownership and goods, directed at other customers receive more attention than other forms of advertising and have become an important tool in promoting a company's products and services.

Sum and Hui (2009: 98) cited (Seller 1990 and Smith 1989), suggest that sophisticated and demanding customers have greater expectations about consumption. According to Sum and Hui (2009: 99), suggests that if supermarkets are unable to cater for the needs and wants of customers, they will lose dissatisfied customers to their competitors. Sum and Hui (2009: 99) cited Whitely (1991), revealed that customers trend to shift to competitor products because of many outcomes and one of the main reason is for poor service quality. Zeithaml and Bitner (2000: 4), stated that s are related to the employee services levels provided to customers in support of the company's products. Whilst, Sonderlund and Rogengren (2007) smiling workers; Sum and Hui (2009) loyalty and Mayer, Ehrhart and Schneider (2009) employees and management working together are outcomes

of improved customer services. These outcomes are being applied in the South African supermarkets.

Sonderlund and Rogengren (2007: 562) cited Bryman (2004), indicated that organisations like Disneyland, McDonalds, Burger King, Body shop, Wal-Mart and Sea world instruct their workers to smile when they come into contact with customers because it affect the customers perception about the company in a positive way.

According to Gremler, Gwinner and Brown (2001: 44), customer confidence increases on employees when positive word of mouth communication messages about the company is relayed to other consumers. Furthermore, when the employee and customer relationship dimension develops the following traits becomes evident of a personnel connection developing between them. It becomes evident that the employee develops and displays care towards the customer and become familiar with the customers. It is true that positive word of mouth communication instil confidence in the customer, if the employee has knowledge about the product on sale. On the other hand lack of knowledge about the product causes the employee to avoid customer becoming a irritation towards them.

Sonderlund and Rogengren (2007: 552) cited Luo and Homburg (2007), stated that has become an important focus point by many companies and has affected performance related variables. In addition the authors indicated that customer orientated organisations have invest heavily in events preceding customer satisfaction. As a result, research on services has contributed to the importance of the service worker in determining customer satisfaction.

Ahiquist, Beever, Edmunds, and Knott (2007: 3), acknowledges that most customers expect supermarkets to compete for their business. The supermarkets competitive challenges might take the form of advertising in newspapers for products at low prices. They can create competitive advantages on product ranges, price and employee service quality.

Plakoylannaki and Saren (2006: 218) cited Reinartz, Kraft, and Hoyer (2004), suggests that the term customer services seem to lack specific definition because it is used very loosely. In addition, the authors state that the words "customer services" is a "catch all" term and thirty years on this term is still in use. They indicate that customer services require further research on its practical level as a definition. Whilst Plakoylannaki and Saren (2006) indicate that the customer services has remained static for 30 years. However, the "catch all" term may no longer hold true to its position today. The discerning shopper is more critical about his interactions in the retail environment highlighting specific flaws in service delivery.

Barry (2001: 134), states that the meaning of customer services as a function is limited to a few basic definitions. Furthermore, Barry states that the retailers understand the term services are to emotionally connect with their customers.

McQuinn (2009: 2) cited (Rakowski 1982:55; O' Sullivan 1973: 36; Lovelock 1988; Carson and Gilmore 1989, 1990 and Duffy 1999: 39), suggests that the development of customer services can be viewed in three phases.

These are as follows:

- **1960's – 1970's Emergent**

The origin of s was founded in the late 1960's in the area of Industrial marketing (Rakowski 1982: 55). At this phase the firm manufacturing the product has control of producing a service and also customer evaluation of the supplier (O' Sullivan: 1973:36).

- **1980's – 1990's Exploratory**

During this phase the focus was on increasing the body of knowledge. The focus centred on practical areas, including audits, customer care, service guarantees, customer charters, internal marketing and quality developments. Carson and Gilmore (1989: 90) indicated that during this phase, customer care become the main event in serving the customers. Carson and Gilmore (1989 / 90) cited Lovelock (1988) stated that audit provided a check on the service.

- **1990's Role of Technology**

During this phase there was an increase in literature and technology incorporated in services and examination of customer loyalty. Duffy (1999: 41) stated that customer loyalty can be described as an indicator of s successes.

Dowling and Uncle (1997:81) criticised the focus on loyalty as a waste of time and money. According to Duffy (1999: 37) true loyalty is when customer stays loyal to the company even if the company has lots of competitors. Furthermore, Duffy (1999:40) states that the loyalty equation is "Loyalty = Affinity x Satisfaction x Involvement". Moreover, Duffy states that loyalty evolves from customer satisfaction which includes affinity and involvement. In addition, the author stated that latter two areas have not been adequately researched.

- **Since 2000 Authenticating** (To establish authorship or region of conclusively) Duffy (1999: 39) cited Maudie (2003) indicated that since 2000 no major development has occurred but the literature began to grow with the focus on the internal customer and indirectly around the people aspects, the latest being relationship marketing. There has been a shift of influence to cause - related marketing and social marketing.

In addition, Pringle and Thomson (2001:3) stated that cause - related marketing is a new concept but an old practise. Customer services in the retail industry most often include assisting customer's with their purchases, answering questions, taking orders, handling complaints and ringing up purchases. Quality customer services are a prerequisite to build good customer relationships. This is true in the context of South African supermarkets as more Human Resources departments are focusing on developing and training their employees in new approaches to satisfy customer needs. In addition the authors indicated that services have four basic characteristics listed below:

- Intangibility;
- Inseparability of production and consumption;
- Perishability; and
- Heterogeneity.

2.8.2.1 Intangibility

Intangibility is a major characteristic that distinguishes a service from goods, furthermore, intangibility means that services are actions and performances rather than objects. For example, it is impossible for students to touch education they receive from attending classes. The intangible benefits that a student receives are the student becomes more knowledgeable. Thus the authors indicate that services can not be owned. Customers use brands as a cue to the level of quality and service that an organisation provides (Lamb, Hair, McDaniel, Boshoff and Terblanche, 2008: 413).

Mayer, Ehrhart and Schneider (2009: 1037) cited Bebko (2000), indicated that as a basis of argument, when services are intangible, management must become committed to service quality ensuring customer experiences are compatible to service excellence that is reliable and consistent.

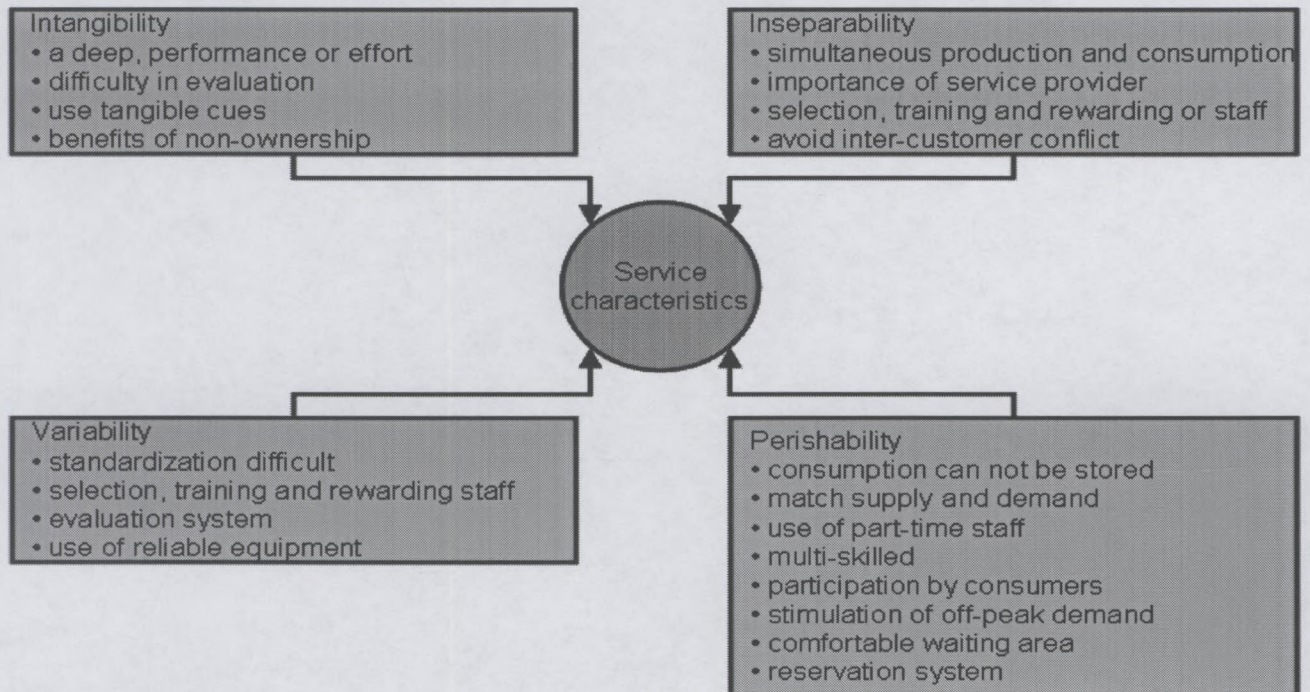
2.8.2.2 Inseparability of Production and Consumption

Inseparability means that customers have simultaneous product and consumption, for example, a haircut, medical operation, a holiday and pop concert are produced and consumed at the same time. In contrast to the example stated above, an article is manufactured, stored and distributed before being bought and consumed. Services must be provided at the right time and the right place and the right way to ensure repeat business for the company. In addition Pride and Ferrell (2010:358), indicated that customers must be present at the time of production and consumption of a service and they cannot take the service home. Furthermore, the consumption of services may take place in the presence of other customers. According to Fisk, Grove and John (2004) cited in Vella, Gountas and Walker (2002: 410), suggest that simultaneity and perishability can be influenced by supply and demand. Furthermore, when demand exceeds supply, the customer would experience a temporary out of stock situation and customers will look for the product elsewhere.

2.8.2.3 Perishability

Perishability in services indicates that spare capacity of a product cannot be stored for future use. For example, empty seats on an aeroplane cannot be stored for future use. It represents lost income and therefore, the matching of supply and demand is critical in preventing losses. If a hotel has high weekday bookings for rooms and virtually empty over the weekends an important incentive would be to advertise a discount for the rooms over the weekends. However, if the service provided cannot match demand over peak periods for example, flexibility can be varied through this period by employing part time staff and multi skilling staff in the various supermarket departments (Pride and Ferrell, 2010: 360).

Figure 2.2 the Characteristics of Services Marketing



Source Jobber and Fahy (2009: 169)

The figure 2.2 indicates the four different characteristics of service marketing.

2.8.2.4 Heterogeneity / Variability

Service quality maybe subjected to variations in quality, making standardisation of services difficult because no two performances delivered by humans are the same. For example, two restaurants within the same organisation there service levels may vary due to the respective management and staff knowledge and capabilities of their products and services. The heterogeneity of service quality should prioritise selection, training and rewarding of staff as an important criterion because of the nature of contact between customers and employees in service organisations. Training must put emphasis on the desired standards the company expects from their employees during service delivery.

The organisation should develop a feedback system from customers to gain information to evaluate their shopping experiences to a higher level. Heterogeneity in services increases in labour intensive industries such as auto repair; education and hairdressing. These industries have a heavy dependence on human labour to keep them mobilised (Lamb *et al.* 2008: 414).

The services marketing mix is an extension of the (4P's) product; promotion; price and place with three additional variables, people; physical evidence and process are incorporated in the mix. The high level of contact between customer and employees and the visibility of the service assembly process and the simultaneity of production and consumption makes it necessary to be included with the marketing mix. The addendum to the marketing mix allows the researcher to conduct a thorough analysis for successful service marketing (Jobber and Fahy, 2009: 168).

2.8.2.5 People

The simultaneity of production and consumption in services makes the organisations employee contribution an important instrument in influencing customers of their products and service quality. Service employees must be in a positive frame of mind about the company's product and services provided to customers because this is an indication to the customer that the company is treating their employees well. Therefore, it becomes imperative for organisations to set standards for employees to constantly seek ways to improve service quality. Without management control and employee training quality standards will inevitably fluctuate. The authors stated that employee selection is the starting point in any organisations quest to improve their service levels because the service industry requires special personality characteristics from their employees. Once selection is completed, the employee must undergo training to familiarise themselves to the organisation culture. (Lamb *et al.* 2008: 414). Hennig – Thureau (2004: 472), argues that service employees must be provided with regular skills and technological training to improve on ways to satisfy the customers needs. In addition the authors indicated that top management must revisit the present

policies on customer satisfaction and addendum must be included in the policies that would assist the organisation in enhancing the customer satisfaction.

2.8.2.6 Physical Evidence

According to Lamb *et al.* (2008: 415), customers use tangible evidence to determine the expected services they will receive from the organisations employees. For example, prospective customers may look through a restaurant window to check out the dress code of the waiters, the décor and the furnishing before they visit the restaurant for a meal. In addition, the atmosphere in a retail store is highly dependent on décor and colour which assist in establishing harmony amongst employees and customers. The author's research also indicated that the design of the store can influence customer choices, expectations, satisfaction and other human behaviours. For example, retailers use smells, décor, music and layout to influence the customer in their purchases. Jobber and Fahy (2009: 168) indicated that retailers face many challenges and one of their major challenges is to create the physical space and evidence for the products to suit the consumers. For instant the supermarket must not look like lots of money was spent on the décor because the customer may perceive that the products have been priced higher to pay for the expensive décor.

2.8.2.7 Process

According to Lamb *et al.* (2008:415) and Jobber and Fahy (2009: 177), indicated that the process category encompasses the mechanism and flow of activities by which services is acquired in an organisation. Process decisions often influence how a service is delivered, for example, queuing at the checkouts may provide an opportunity to create competitive advantage for the opposition. Organisations reducing delivery time for customers standing in a queue can improve service quality and customer satisfaction and enhance company repetition. The authors stated that some organisations drive for efficiencies has resulted in service companies outsourcing parts of their service process.

According to Plakoyiannaki and Saren (2006: 214), customers have become an integral part because of their important role they play in the evaluation of any successful business. In addition, the authors cited Gronross (1994), indicated that maintaining a healthy relationship between customers and employees the process needs to be managed by senior personnel.

Mayer, Ehrhart and Schneider (2009: 1034) cited Schneider and White (2004), indicated that today's economy is service based thus making contact between customers and employee invertible. Moreover, Dean and Terziovski (2000), cited in Spencer – Matthews, and Lawley (2006: 218), indicated that the long term aims of s requires organisations to continually improve customer satisfaction and experience to remain competitive.

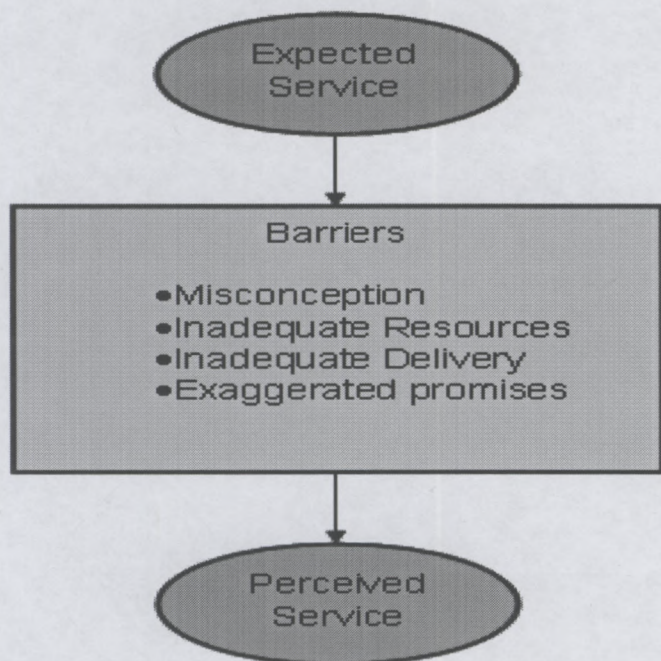
According to Donavan, Brown and Mowen (2004) quoted in Hennig – Thurman (2004: 460), organisations which focus on the needs of their customers performs better than companies who have other prioritises. Furthermore, authors Jaworski and Kohli (1993), Narver and Slater (1990) quoted in Hennig – Thurman (2004: 460), empirically confirmed that the economic potential of a firm is depended on the ability of adopting customer orientated programmes.

Jobber and Fahy (2009:177), suggested organisations that improve service quality, will retain and increase customers attaining higher sales and profit. On the other hand, organisations delivering poor services have the tendency not to handle customer complaints timorously, and they discover that there is a decline in their customer numbers. Jobber and Fahy stated, research indicated that companies with higher graded service quality generally perform better in market shares and profitability, overcoming the barriers that exist between expected and actual services. Pride and Farrell (2010:370), indicate that service companies use focus groups and surveys in the form of questionnaires to research customer needs and wants.

According to Jobber and Faby (2009: 178), the barriers that separate expected from actual service are as follows:

- **Misconception barriers:** this situation develops because of managements misunderstanding of what the customer expects. Management's lack of understanding could be as a result of, very few or no research being conducted;
- **Inadequate resources barrier:** this situation is due to cost reduction and productivity. Management may be unwilling to provide resources to meet customer expectations;
- **Inadequate delivery barriers:** this situation occurs when there is inadequate selection, training and rewarding of staff could result in staffs poor communication skills, inappropriate dress code and unwillingness to solve customer queries; and
- **Exaggerated promise barriers:** this situation occurs when advertising and selling messages that promises to fulfil customer needs but do not deliver on customer expectations resulting in disappointed customers.

Figure 2.3 Barriers to Expected and Perceived Services



Source: Jobber and Fahy (2009: 178)

Figure 2.3 indicates the customers expected and perceived barriers they might experience in a service organisation

For organisations to provide superior quality services their employees has to have a clear knowledge and understanding about customer expectations of service delivery. The employee must be competent in the various aspects of providing the service. For example, a service employee must be multi skilled they should not only be able to slice meats but they should be able to communicate to the customer suggesting different application and recipes for cooking the product (Pride and Ferrell, 2010: 369).

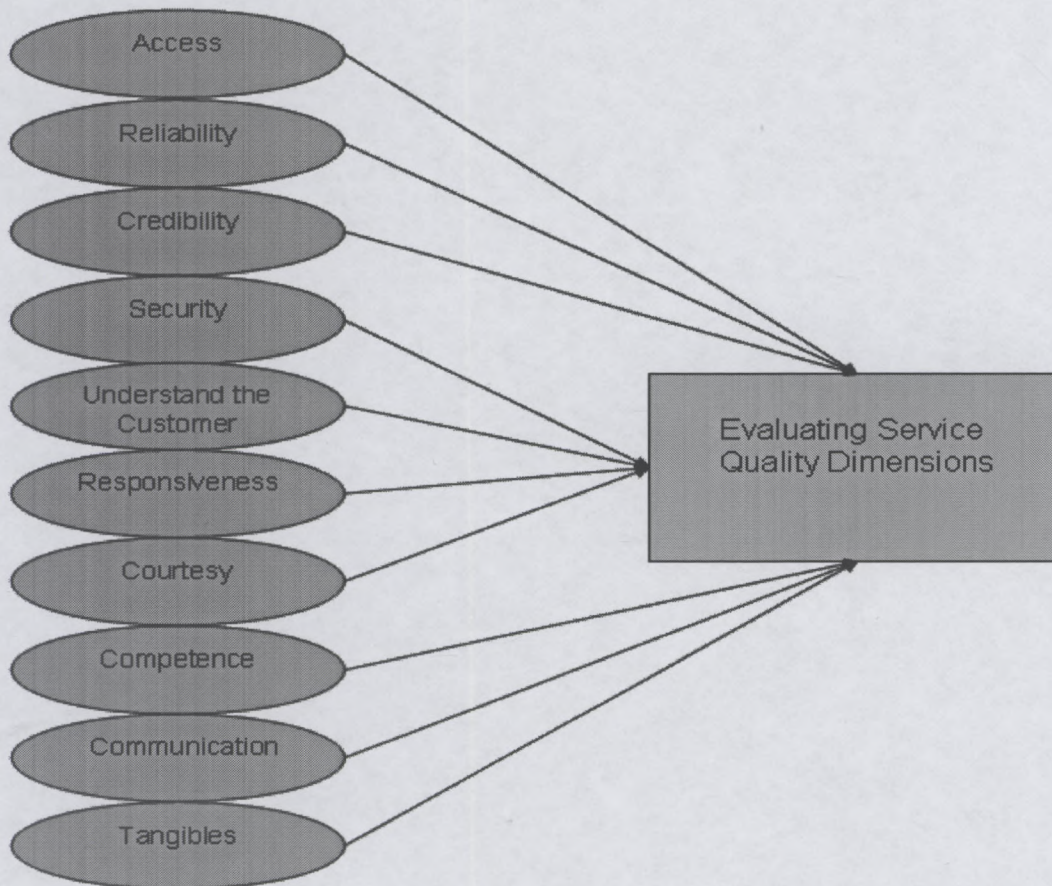
Jobber and Fahy (2009: 180), suggests that the following criteria be used when evaluating encounters;

- **Access:** is the business at a convenient location and easily accessible?

- **Reliability:** is defined as the ability to perform the promised service dependably and accurately. Does the company deliver on its promises about delivery service, provisions, problem resolutions and pricing?
- **Credibility:** can the customers trust the company and staff?
- **Security:** is the company risk free to conduct business with?
- **Understanding:** does the company understand the customer's needs and wants?
- **Responsiveness:** is the employee willing to assist the customers and provide prompt services?
- **Courtesy:** do the employees provide individualised attention to the customer?
- **Competence:** do the employees inspire confidence and trust and possess knowledge and skills to perform their duties in a courteous manner?
- **Communication:** is the employee equipped to communicate with the consumer about their products and services? and
- **Tangibles:** are the appearance of the physical facilities, equipment, personnel and communications well managed.

The criterion for evaluating service encounters suggested by Jobber and Fahy (2009); is utilised as a benchmark in some South African supermarkets whilst others have reservation regarding its application. This could be due to no training provided to its management, who are under qualified / inexperienced, working in the supermarkets.

Figure 2.4 Evaluating Customer Encounters



Source: Jobber and Fahy (2009: 180)

Figure 2.4 indicates the service dimension that a customer can use to evaluate service quality of any service organisation.

The criterion mentioned by Jobber and Fahy is a perfect guideline for a customer to evaluate a company's services rendered by their employees. The question remains, with husband and wife forced to hold down jobs under turbulent economic times would they still have time to consider Jobber and Fahy criteria? They might consider a few of the criterion only because of their haste to rush and collect their children from crèche's and go home to feed them. On the other hand, housewives would have all the time to analyse the criteria and switch their business if they receive poor services.

Hanuki Negata (2004: 62), cited Gronroos (1984), describes "service quality as a perceived judgement, resulting from an evaluation process when comparison are made between expected and received services." In addition, Gronross declares that service quality dependents on two variables;

- **Expected service:** any previous experience of a service could influence the expectation of customers; and
- **Perceived service:** is the result of a consumer's perception of the service.

Wong and Sohal (2006: 241) cited Beatty, Mayer, Coleman, Reynolds and Lee (1996), suggests that customer orientated service employees can demonstrate trust because they possess the skills to assist customers competently and they have the ability to solve customer problems, honestly and skilfully. Whilst it could be is true that the summation by, Wong and Sohal (2006) that customer service orientated employees solve customer problems. It must be emphasised that this situation is only displayed by employees that have years of experience and are highly motivated.

2.8.3 Service Employees and Service Quality

According to Pride and Ferrell (2010: 367), service quality is defined as customer perception of how well a services meet or exceeds their expectations. In addition the authors suggest that delivery of high quality services is an important and difficult task any service organisation faces because customers generally look at service quality when comparisons are made between service providers and the competitors.

Zeithaml and Bitner (2000: 287), indicate that employees are critical to the success of any organisation because they provide the services for the organisation. Thus making them the organisation in the customers eyes and also they are the marketers and service providers of the company products. In most cases the employee is the service for example, haircutting, taxi services, personal trainers. the contact employee provides the service in these cases production and

consumption is simultaneous. Therefore, investing in the employees helps to enhance their personal capacity to improve service quality of the organisation. This may be true when customers from varying socio economic backgrounds visit the supermarket. Their views of the service quality rendered by the employees might differ considerably.

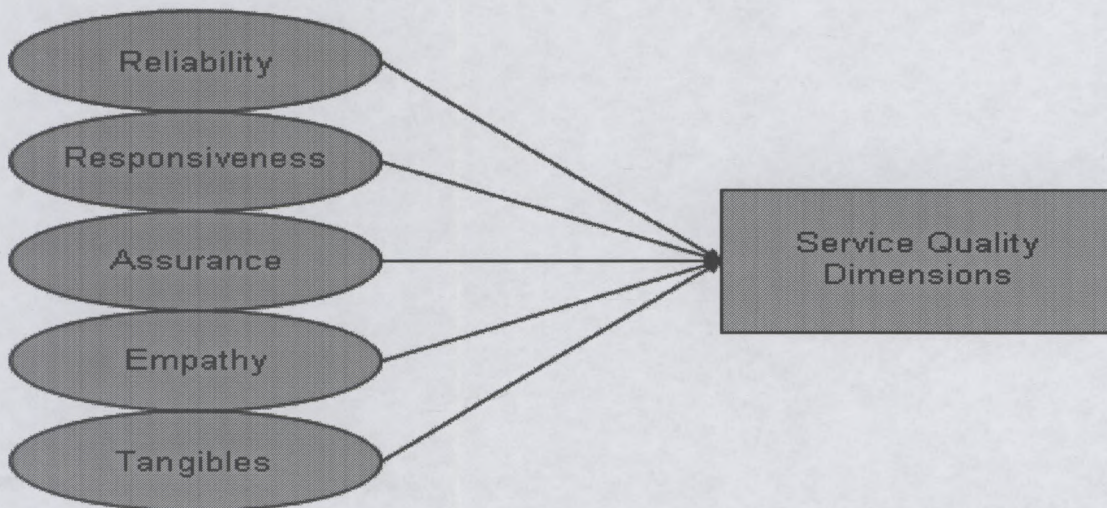
Pride and Ferrell (2010: 369), indicated that contract employees who provide part of the service to customers still represent the company in the eye of the customer. Customers normally perceive poor service with the way employees dress; talk and solve their queries. In situations when the customer is treated shabbily they will seek other venues to do their shopping. Zeithaml and Bitner (2000: 289), stated that the employees can influence the five service dimensions. These five dimensions are as follows:

- **Reliability:** is within the employees control because of the organisations promise to deliver a service. They are paid a wage to deliver the service to the customer;
- **Responsiveness:** employees influence customers perceptions through their willingness to assist and provide promptly service;
- **Assurance:** employees display the ability to communicate and inspire the customers;
- **Empathy:** suggests that the employee provide an attentive ear and be flexible in delivering on customer expectations; and
- **Tangibles:** the employee's appearance and dress code are important aspects of service delivery because of the company's emphasis on customer orientation. Other tangibles that are important in the category are service facility; décor, brochures and signage.

Berthon and Hulbert (2003) cited by McQuinn (2009: 63) stated that the role of marketing in society needs to be re-examined because the approaches has not changed for decades. McQuinn (2009: 63), cited Brugmann and Prahalad (2007) indicated that there is a need for firms to embrace and associate themselves with sustainable social responsibility programmes to provide a sustainable

environment for the society in which to conduct business. According to Hodgson (2001: 117), contributions to the body of knowledge direct its attention to the sophistication of customer services.

Figure 2.5 Five Service Quality Dimensions



Source: Pride and Ferrell (2010: 369)

Figure 2.5 indicates the five service dimensions that an employee can use to inspire customers to make repeated purchases from the company.

According to Gaur and Agrawal (2006: 317), for retailers to survive in the business environment they must focus on areas that would increase their advantage by delivering a higher level of quality service. Sui and Chung (2001: 91), stated that non-professional services such as retailing, the customers social dynamics must be considered. Furthermore, Gaur and Agrawal, (2006: 317) cited Metha, Lalwani, and Han, (2000), indicated that service quality can be used as a competitive advantage to position the organisation in the market place.

According to Jain and Gupta (2004: 25), an important determining factor to improve business performance is to raise the service quality of the organisation. In addition, the authors stated that there are various scales available that can be adopted to measure service quality levels in the organisation.

Zeithaml and Bitner (2000: 4), propositions that stakeholders would experience different repercussion when poor service delivery is rendered by the employees. For example, the employees could face retrenchments, and the company would experience loss in turnover. In addition, the stakeholders receives lower profit margins, the government's unemployment numbers increase, lower gross domestic product (GDP) and the union would experience a loss in membership and revenue.

Hanuki Negata (2004: 62) cited Gronroos (1984), proposes that service quality has two provisos, the first proviso is technical quality which is an objective assessment made by a customer during his shopping encounter with a organisation. The second is the functional quality on how the customer perceives the service. Furthermore, Hanuki Negata's research on quality service in a academic library at a Japanese university found to have four key drivers that affected the deliverance of quality service. The key drivers are as follows: personal issues (staff mood swings) that concerns the attitude of the library staff effects service delivery. The library at times is not conducive as a learning environment because of the tangibles. The access into the library and collection of books is very time consuming. The general planning and deliverance of the library service is very poor.

Qingxiong, Pearson and Tadisina (2005: 1069), cited Evan and Lindsay (1999), indicated that successful companies regard customers as kings and queens. Satisfied customers have a tendency to spend more money and introduce their friends and family to the organisation. Other studies by Zeithaml and Bitner (2000); Lamb *et al.* (2008); Pride and Ferrell (2010), also provides evidence that customer satisfaction is a strong indicator of company success in terms of market share, return on investment and cost reduction.

According to Lamb *et al.* (2008: 7), suggests that in the interest of the three key players namely the company, customer and the service providers should be used by management to develop,

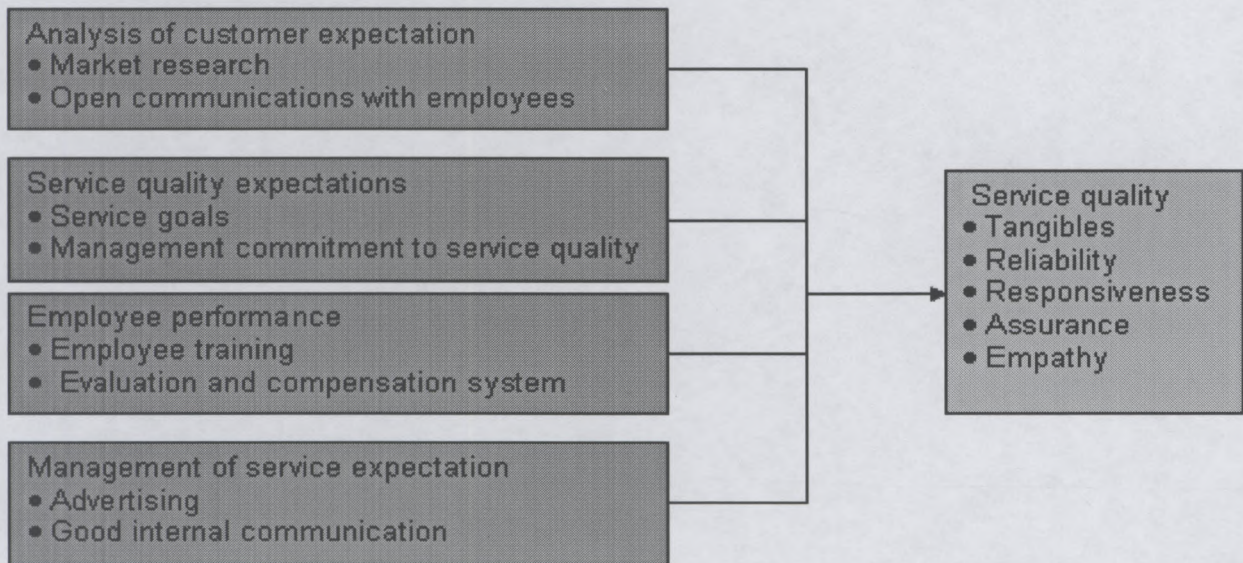
promote and deliver services. The company would represent any department or management within the organisation. A customer represents anyone that makes a purchase from the company. The service providers represent the employees who actually deliver service to customers. According to (Zeithaml and Bitner, 2000: 143), it become easier for the organisation to retain employees when the customer is satisfied with their service.

Vella, Gountas and Walker (2007: 407) cited Drucker (1954) and Levitt (1960), suggested that customers are the main reason for business to exist. Furthermore, the authors stated that successful organisations must focus their attention on customer needs and wants. Henning-Thurau, (2004: 460) cited (Bitner, Booms, and Tetreault, 1990; Bove and Johnson, 2000; Bowen and Schneider, 1985 and Sergeant and Frenkel, 2000), concur that customers rely on the intangible behaviour of employees to formulate perceptions about the services offered to them by organisations. These customer perceptions on service in turn assist in determining the firm's success.

According to Pride and Ferrell (2010: 370), organisations can adopt different strategies to improve service quality to their customers. In addition, the authors indicated that the service organisations must first consider the factors that would affect service quality. Then conduct a survey of quality, expectations and employee performances. Management must conduct an analysis of the data and use the results to manage and enhance customer expectations.

Most factors identified by Gaur and Agrawal (2006) delivering high levels of service; Metha, Lalwani, and Han, (2000) competitive advantage; Zeithaml and Bitner (2000) stakeholders experience repercussions; could result service quality failure and cause disastrous consequences for the organisations. These consequences are not only prevelant in the supermarkets but across all sectors of industry.

Figure 2.6 Service Quality Model.



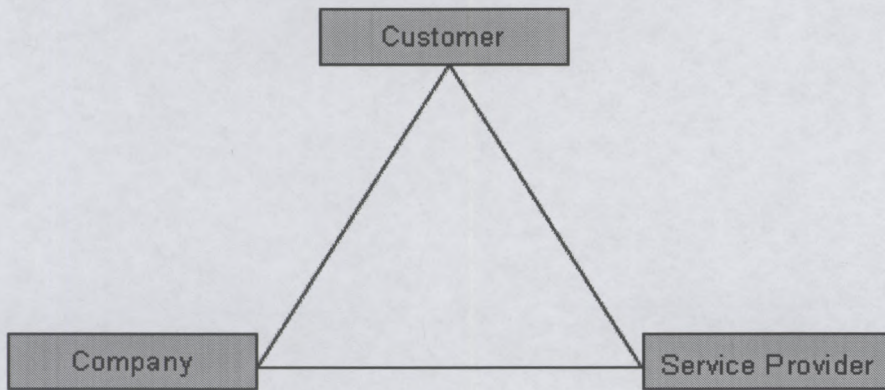
Source: Pride and Ferrell (2010:370)

Figure 2.6 indicates the Service Quality Model that should be followed in supermarkets.

Brown, (2002) was cited by Henning-Thurau (2004: 460), stated that very few studies addressed customer orientation of service employees, despite its importance to the value chain. Henning-Thurau (2004: 461) cited Bitner, Booms and Tetreault (1990), indicated that service quality research has revealed that employee behaviour influences the customer's perception of the service offered by the organisation. As indicated by Henning-Thurau (2004) few studies addressed service employees and with the evolution of the world towards service industry a concerted effort must be made to conduct and improve ways the employee assist customers.

According to Pride and Ferrell (2010: 365), intangibility of services provide service marketers with several challenges. For example, trying to depict the company services in an advert can be very difficult. Therefore in these instances the marketers use tangible cues to promote their services.

Figure 2.7 Three Key Participants of Service Delivery



Source: Jobber and Fahy (2009: 180)

Figure 2.7 indicates the three service players that can be grouped to develop, promote and deliver efficient services.

Rewartz and Kumar (2002: 23), indicated that research on customers profitability was conducted on four industries, they are High Technology, Postal Service, Retail Food and Direct Brokerage. The research findings indicate that long term customers are more profitable than short term customers and therefore, a positive correlation between customer loyalty and profitability cannot be ignored.

According to Zeithaml and Bitner (2000: 88), understanding the three service encounters and responding to the needs and wants of the customer will ensure service satisfaction. The different service encounters are as follows; remote customer encounters, phone customer encounters and face to face customer encounters.

- **Remote encounters:** occur when there is no human contact between service provider and consumption. The organisations that provide this kind of service are the banking industry (automatic teller machines), mail order service through automated dial in ordering and internet has created retail, airline purchases;

- **Phone encounters:** are the most frequent type of encounter between a customer and the firm. Insurance, utilities and telecommunication companies utilise the phone encounter to conduct business; and
- **Face to Face encounters:** this occurs when an employee comes in contact with a customer. The face to face encounter in the context of service quality can become very complex. Important determinants of service quality in the face to face dimension are verbal and non verbal behaviours of the employee and to a lesser extent the customer. This type of service encounters is very important in building quality perceptions and influencing customer satisfaction and is very common in the retail industry (Zeithaml and Bitner 2000: 88).

According to Vella, Gountas, and Walker (2007: 410), for employees to influence customer – employee relationships, effective internal marketing strategies are required to manage these exchanges. In addition, the authors cited Chung and Schneider (2002), suggested that it is important to manage the elements that influence customer – employee relationships. The requirement is to focus on developing appropriate employee skills to provide them with training in order to improve services quality. In addition the authors indicated that empirical research supports the theory that employee behaviours influence if reliability is added to the equation.

(Zeithaml, Berry and Parasuraman 1990; Broderick 1998; Li and King 1999; Chung and Schneider 2002 and Stewart 2003), cited in Vella; Gountas and Walker (2007: 410), suggested that there is strong evidence to support the theory that employee workloads have an effect on service quality and customer satisfaction. According to Singh (2000) quoted in Vella, Gountas and Walker (2007: 410), suggest that cashiers working in supermarkets are subjected to stress (emotional exhaustion) because of their high frequency and repetitiveness of their job.

Vella, Gountas and Walker (2007: 410), stated that service flexibility is defined as “the range of service work options and number of employees that are available for the operation and control of interactions in response to changes in demand.” Moreover, the authors state that service role flexibility is a new concept that balances supply and demand in such a way that there are no interruptions on the organisations service quality. Some organisations utilise staff from other departments to equalize demand. This is called multi –skilling.

2.8.4 Concept of Building Customer Relationships

According to Lamb *et al.* (2008: 34), the most critical aspect of a rigorous analysis of customer relationships is by defining how to build the relationships. In addition, the authors suggest that as trust increases between employees and customers the likelihood that positive word of mouth communication between customers and friends will develop. In addition, the author’s stated that familiarity is a necessity but not a sufficient condition in building customer and employee relationship. Furthermore, they contend that sharing information between the parties would normally build relationships. Krasnikov, Jayachandran and Kumar (2009: 61) cited (Bolton 1998 and Reinartz, Thomas and Kumar, 2005), suggested that organisations with stronger relationships with customer’s, usually show higher profitability margins.

According to Pride and Ferrell (2010: 368), customer satisfaction is a important factor in developing customer loyalty and customer retention. In addition, the authors indicated that building customer relationships depends on the period the parties know each other’s needs and wants which could resulting in bonding the parties. Gremler, Gwinner and Brown (2001: 50) cited Coulter and Coulter (2000), discovered that familiarity between customers and service employees increase the trust relationship between the parties. In addition Lamb, *et al.* (2008: 94), stated that customer routine behaviour is characterised by brand loyalty.

Roberts and Campbell (2007: 58) cited Colgate and Danaher (2000), examined customer – banker relationships and found poor service quality of teller resulted in lower customer satisfaction; Thomke (2003) suggest that companies should conduct surveys to gauge levels of customer satisfaction. Krasnikov, Jayachandran and Kumar (2009: 62) also cited Venkatesan and Kumar (2004), indicating that organisations which creates and maintain communication with profitable customers enjoy fruitful association with them. Johnson and Selnes (2004) was cited by Krasnikov, Jayachandran and Kumar (2009: 62), stated that loyal customers purchased products more often, stayed longer in the relationship with the organisation and fewer customers switch to the opposition.

Jones (2004: 46), advocates that the key to superior in the retail industry is excellent employees that are efficient and knowledgeable about their product. The speed and efficiency of service by staff and their attitude towards the customers during transactions, the availability of a full range of products and services and the staffs' efficiency and accuracy in the way they conduct customers' transactions and the way employees deal with customer complaints. The location of store, abundant parking, and providing fast and efficient service would make any service organisation very popular, also clean stores that conform to world class standards and provide a friendly shopping environment for their customers. The organisation must provide a reliable and dependable service with quick solutions to customer queries and problems. The organisation must stock quality products and their prices must be competitive; and also the availability of stock must be of paramount importance and the company image must be impeccable.

According to Hansemark and Albinsson (2004:40), employees' attitude in close contact situations with customers are likely to determine if the customer is satisfied or not. Furthermore, the authors stated that satisfaction increases customer retention depends on the substance of the relationship between the two parties. Both situations have financial impact on the organisations profitability.

Vukmixn (2006: 11) cited Grandinetti (2001), suggest that the study of customer satisfaction starts with analysing the cause of their dissatisfaction. Moreover, the author indicates if the company provides quality service, they will retain customers and the customers would act as a mouth piece recommending the organisation to friends and family. In addition, Vukmixn indicated that superior quality service is a determining factor in customer retention. The empirical balance of , service quality, customer satisfaction and customer retention must be intertwined in any service industry to create a successful and profitable organisation.

According to Barry (2003:4), there are six different ways to measure quality namely, the reliability of the organisation in terms of services and product availability must be impeccable and must satisfy the customer needs and wants. The company must have excellent staff that are knowledgeable about the products on sale and are attentive and eager to assist the customers. In addition, the staff must be polite and courteous towards their customers during transactions. The employees must display confidence in their products and services they sell to the customer and show an understanding towards the needs and wants of the customer. Lastly, the organisations' facilities must conform to world class health and safety standards and regulations.

Siu and Cheung (2001: 89), indicated that research conducted on service quality in the retail industry established that there are only a few methods to measure service quality in retail stores. To conduct the research they adopted the five dimension Retail Service Quality Scale developed by Dolbholkar, Thorpe, and Rentz (1996: 445).

The five dimensions are listed below:

- **Physical Aspects:** representing the store appearance and convenience of store layout;
- **Reliability:** the ability of the retailer to deliver on promises;

- **Physical Interaction:** a checks on the employees' response on how courtesy and helpfulness and if they inspire confidence and trust during transactions;
- **Problem Solving:** are the employees trained to handle potential problems such as customer complaints, returns policy, and exchanges; and
- **Company Policy:** the organisations operating hours, their payment options on display and the availability of abundant parking.

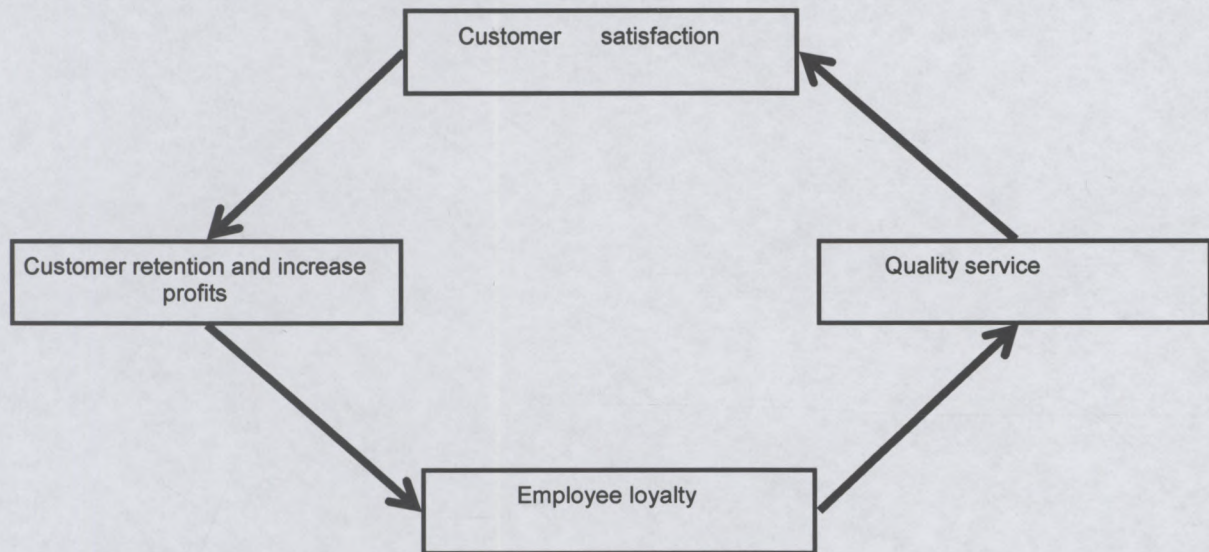
Mayer, Ehrhart and Schneider (2009: 1034) cited Gittel (2002), proposes that there are three situations in service surroundings requiring high levels of concentration by the employees. Firstly, when there are repeated interactions among service providers to deliver high service quality. Secondly, when service operations occur under high levels of uncertainty and lastly, when service delivery is under time constraint. Furthermore Mayer, Ehrhart and Schneider indicated that when these conditions are not met amongst service providers the emphasis moves to a breakdown in relationship between customer and service provider. The researcher concurs with the authors that when these three situations arise the company lose customers and profitability and sometimes close their doors.

According to Zeithaml and Bitner (2000: 143), it is important for organisations to offer customers superior value and thus creating loyal customers. Satisfied customers create more profit for the organisation than newly acquired customers. The effects of customer loyalty reflect in lower acquisition costs. The acquisition costs relate to the cost of attracting new customers, and their spending trends increase over time.

Loyal customers contribute to revenue by virtue of the fact their reliance on service demands are minimum. These allows services staff to concentrate their efforts on other service functions, thereby contributing towards the achievement of economies of scales.

Loyal customers normally introduce to their friends and family the organisation through word of mouth and it becomes easier for the firm to retain employees when the customer is satisfied with service.

Figure 2.8 Customer Retention Benefits to the Organisation



Source: Zeithaml and Bitner (2000: 143)

Figure 2.8 illustrates the underlying logic of customer retention benefits to the organisation.

Siu and Cheung (2001: 89) cited Dabholkar, *et al.* (1996), that the dimension "Personal Interaction" will be severely hampered if the organisation is plagued with employee absenteeism, resulting in additional strain on s and reduce profits margins for the organisation. These statistics could be used to determine the strain created on s. The sick and overtime pay for employees will increase, adding to the expenditure costs and high absenteeism will result in service quality deterioration.

Madslien (2004: 1), the two major causes of customers' frustrations are firstly the lack of employees' product knowledge and their prices. Secondly, the customers become frustrated when searching for employees to assist them in their purchase only to find them huddled together deep in conversation amongst their colleagues.

Longworth (2006: 1), mentioned that restructuring could occur amongst retailers when their company performs poorly. The rising cost of energy, labour, water and taxes has aggravated the consumer spending powers and they are purchasing less food commodities. In addition the author stated that one of the important drivers of quality services are employees, whose deliverance of inferior quality services can have disastrous results for any organisation.

Employees can enhance customer satisfaction if the organisation has full staff compliments on duty and are trained to compliment the company service levels and their product knowledge. Furthermore, with the knowledge acquired during the training the employees can offer advice to customers on different products uses. Customer satisfaction and retention can be enhanced by organisations by determining the consumer needs and wants (Zeithaml and Bitner, 2000: 35).

According to Reichheld and Markey (2006: 2), another simple technique that can be used to assist owners in determining good service from bad service is to conduct a survey and ask the customer an ultimate question, how likely are they to recommend this company to a friend or colleague? By requesting from the customers to rate their answer on a scale of 0 to 10. The responses received from the customer will assist in tallying something the authors call Net Promoter Score. The authors indicated that Net Promoter Score has provided a fairly good response to customer referrals and repurchases. They clustered the customer responses into three groups, in the first group the customers who rates the company a 9 or 10 are classified as "Promoters." Customers who rate the company 7 or 8 are classified as "Passively Satisfied."

The third group are classified "detractors" they are customers who rate the company 0 – 6. The net promoter score is calculated by subtracting the percentage of promoters from the percentage of detractors. Moreover, the authors research indicated that organisations with leading net promoter score ratings enjoy about two to three times higher growth rate than their competitors.

In addition, Reichheld and Markey (2006: 2), indicated that there are two types of profits good and bad. These profits are as follows:

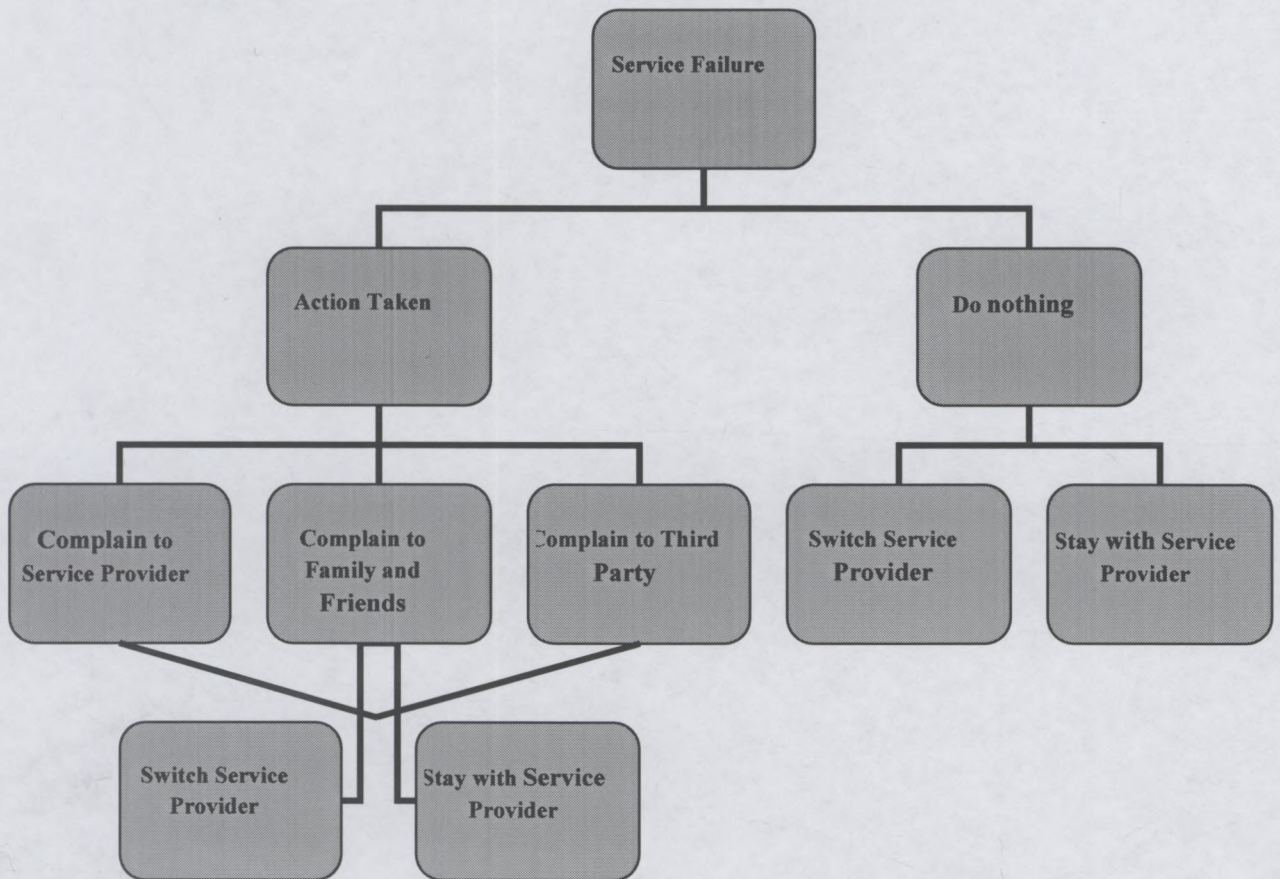
- **Good profits:** are derived from satisfied customers who are content with price, service or quality and or a combination of the three acts. Satisfaction induce the customers to conduct repeat purchases and become active word per mouth customers introducing the organisation to their family and friends; and
- **Bad profits:** are earned at the expense of poor s. The repercussions to this demeaning service could result in severe consequences for the organisation. The results of this action could envelope in the loss of customers, turnover, profits and downsizing of their human resources occurs.

According to Price (2010: 12), recession must not be the ultimate reason for superior service delivery, quality and excellence. There are various strategies to create competitive advantage by providing excellent service quality. Price stated that delivery is the name of the game "when managers are under pressure to produce, tempers fly, interpersonal relationships suffer and trust becomes flawed and the team becomes de-motivated and uninterested in their jobs." In addition, Price stated that this is a very dangerous and costly situation for any company to be in. As stated by Price (2010) recession must not be the for quality service it must be delivered everyday and all the time by the employees.

2.8.5 Impact of Service Failure and Recovery

Service recovery refers to the action taken when a service has failed. There are various reasons why a service fails for example the service may be unavailable when promised, delivery might be late, the product might be incorrect or poorly constructed or the employees might be rude to the customers. These failures place the firm in a negative perspective with the consumer.

Figure 2.9 Customer Responses following Service Failure



Source: <http://Kristina.evey.com>

Figure 2.9 indicates the various stages the customer responses follow service delivery failures.

2.8.6 Types of Customer Actions

As a result dissatisfied customers might choose to immediately complain to the service provider and allowing the company to respond for its actions. This is often the best scenario for any organisation because it provides them with a second chance to respond for their actions and preventing negative word of mouth from the customers. On the other hand the customers may choose to complain by telephone or send an e-mail to corporate office complaining about their

grievances, while some customers may spread negative word of mouth about the supermarkets to family and friends, while others may choose to complain to consumer rights organisation. The discourse of this action by customers might result in disastrous consequences to the company.

2.9 ANALYSIS OF CHAPTER

Literature from other parts of the globe and industries regarding employee absenteeism and customer services was applied to the research questions and objectives. The research questions are as follows:

Main Research Question

- Does employment status influence absenteeism and customer services?

Sub Research Questions

- Which employee status has a higher impact on absenteeism and customer services?
- Is there a significant difference between the absenteeism rate of full time and casual employees?
- Is there a significant difference in the absenteeism rate of the casual employees (the control group) between 2009 and 2010?
- Is there a significant difference in how customers rate the employees from the various stores?
and
- Is there a significant difference between day time and evening employees with regards to the quality services that they render?

It is evident that the overall effect of any solution should focus on creating a more customer orientated organisation. This research endeavoured to investigate the absenteeism numbers between the permanent and casual employees in the participating stores and implement new

approaches to improve absenteeism and customer services. The purpose of the empirical study was to minimise the effects of absenteeism by identifying any possible solutions to manage staff absenteeism and understand the scale of employee absenteeism which prevails within supermarkets in the retail sector. Furthermore, the recourse to this study was to understand the causes and effects of absenteeism; and highlight similarities and differences in levels of absenteeism between supermarkets. What is evident in this literature review is that absenteeism lead to poor customer services; furthermore, poor leadership and HIV / AIDS are major factors that create stress in the workplace resulting in absenteeism amongst the permanent and casual (VTE) employees

According to Munro (2007:22), stress was the leading contributor of absenteeism undertaken on non academic candidates at an American University, however there were other health risk factors such as obesity and actual absenteeism. Building relationships is a vital commodity in maintaining customer loyalty. Empirical research by various authors indicates that loyal customers purchase more often and stay longer in the relationship with the organisation. It has become evident in the literature review that superior customer service create loyal customers thus creating economies of scales.

According to the literature review the effects of absenteeism is as follows; staff working under pressure, work overload, working long hours and unrealistic expectations are placed on the employees. In addition, there is decreased employee well being and increased conflict and resentment amongst employees and management resulting in decreased morale, commitment levels and increased absenteeism and labour turnover. The outcome for the store is the loss of skill, knowledge, continuity, productivity and disruption to other workers and as a result, customer numbers decrease.

High levels of customer services are critical in ensuring that patrons return to the store. The

customer perception of the of the store is very often determined by the levels of customer services. This would require employees in addition to their nominal tasks to provide a broader platform of customer services which would encompass amongst others, promoting customer relations pertaining to long queues, slow check outs and queries. To be competitive in times of difficult economic conditions, employees are required to build upon and constantly increase customer service levels to new and higher levels. This projection can only be achieved if all employees buy into the company goals and objectives. Management must understand that it is their right to manage employees and must adhere to the company rules and regulations. Employees must understand that if they step out of line they will be disciplined by management. It is imperative that organisations list high on their priority list because of the constant contact between employees and customers in service organisations. In conclusion, must be the most important aspect of the organisations business module because without them the company would cease to exist.

Chapter three discusses the supermarkets participating in the research are discussed.

CHAPTER 3

TARGET ORGANISATIONS

3.0 COMPANY 1 (PICK n PAY)

3.1 Introduction

Pick n Pay was founded in 1967 as a family controlled business with four small supermarkets in the Western Cape, and listed in the Johannesburg stock exchange the following year, growing into a leading retail group in South Africa. Their business ventures are centred on food, clothing and general merchandise. The Pick n Pay group is managed through three divisions; each with its own management boards. These divisions are the Retail Division, Group Enterprise Divisions, and Franklins Australia. More history of Pick n Pay can be found under (section 2.4.3 South African view point of Supermarkets p. 54). Their approach to promoting sustainable development is guided by two fundamental principles that have been growth and success of the group over four decades. In addition, their unwavering focuses on the pursuit for customer sovereignty and conducting business under the ethics of consumer sovereignty and social responsibility and putting these principles above the mere pursuit of profits. It is through commitment to consumer sovereignty that the company has introduced many initiatives that set them apart from their competitors. The company pledges to make their products and services affordable for all by offering the best value for money combined with the best product range.

Customer service managers act as “customer representatives” ensuring that good service levels are maintained and manage all in-store customer liaisons. They are an integral part of each stores charitable work and social initiatives, addressing community needs in their trading area. These ladies are easily identified, dressed in their red uniforms. The company has adopted a policy to respond to every form of communication, however minor. The management processes customer

requests and complaints about products and services quickly and communicate with customers on a range of issues through specific tools such as, s advisors and toll-free numbers. A number of facilities are in place at the stores to ensure disabled customers have a pleasant shopping experience. These include wider aisle for comfortable wheel chair manoeuvring, and a wheel chair friendly check out. Each store has a manager to assist the customer with their specific needs and if the manager is unavailable the store manager will arrange for another staff member to assist the customer. Motorised trolleys are available at all supermarkets and hypermarkets to assist the disabled customers. A toll free telephone services is available for customers to register complaints or a compliment. The toll free care line number is 0800 00 89 89.

In the year 2003, Pick n Pay introduced various initiatives to ensure a safe and secure shopping and working environment for its customers and employees and is continually striving to improve the security and crime initiatives for the customer. The company is working in association with the consumer goods council to improve these initiatives by sharing information with council and other players in the industry. Pick n Pay's accessibility to their customers has been central in building their brand and image as the customer's friend. The company rely on the use of a wide range of communication channels for various purposes. Advertising in newspapers and television is used as a vehicle to communicate to the consumer on branding issues, product and pricing, innovations and the company results.

The company recognises that consumers expect organisations to demonstrate concern for their employees by providing them with a safe working environment and pays them a decent salary. The company try's to minimise the impact created on the environment by their products and services. Pick n Pay insist on ethical performances from their suppliers and for them to support the communities in which they do business. Employment Equity a government initiative has always been a key focus that the company used as a guide to conduct its business. The company believes on developing its people from within and ensuring all their programmes focus on employee growth.

Pick n Pay entered the franchise sector in 1993 with the first family supermarket opening in the same year. Their decision to take up franchising was based on a wish to provide quality products at fair prices nationally and assist in developing entrepreneurial opportunities that contributes to the enterprise and also to express the value of community involvement. The Raymond Ackerman foundation was launched for the development of entrepreneurial students at the Cape Town Graduate School of Business. The aim of this initiative is to develop entrepreneurship in the country and to promote the graduate programme amongst the under privileged communities.

The company's growth and success can be directly linked to their commitment to meet and exceed customer needs and wants. The Franchise Academy was established in 2004 to train, develop and empower previously disadvantaged people, with the aim of developing franchisees. The 24 month programme comprises of theoretical and practical modules. The theoretical component, which is facilitated by the University of Johannesburg (UJHB), results in an accredited retail qualification at the end of the two year programme. The practical component is completed in pre-selected franchisee stores, where current franchisees coach and mentor students. During this time, students "get their hands dirty" by physically working in each and every department, in various positions within the store.

During their practical training, the students are exposed to Fresh Foods Specialists with vast knowledge about the different types of foods, visits to suppliers to learn about the different formats and markets, as well as to competitor stores. At the end of the programme, the students stand the opportunity of being twinned with an existing franchisee or business partner in opening up their own Pick n Pay franchise store. This however, is not a guarantee and is based on both the student's success on the programme, as well as site and store partnering opportunities and availability. Presently the company has two hundred and fifty five (255) franchise stores nationally. The

franchise division is responsible for ensuring successful start-up from the time the site is identified to opening of the supermarket. They ensure that the store is set up according to Pick n Pay standards (<http://junxion/pnp/view/pnp>).

Gareth Ackerman took over as chairman with effect from the 1st March 2010 on the retirement of Raymond Ackerman after 43 years at the helm of Pick n Pay. The company's mantra is consumerism which, in simple terms, is to interpret and satisfy customers' needs by selling quality products at competitive prices and to provide courteous service in stores which are ideally located and pleasing to shop in. A policy of accepting returned goods without question has enabled Pick n Pay to establish long term customer relationships which bring customers back to the stores (www.pnp.co.za).

The company's strategy is based on a solid foundation of six pillars, which assist the organization in realizing their goals and objectives. These pillars are as follows:

3.1.1 Pillar No 1: The Customer is King

To achieve a growing and profitable market share a number of initiatives are operated across the organization aimed at reducing wastage and increasing the amount of business from existing customers as well as winning new customers. Pick n Pay's core market segment is represented by Living Standard Measures (LSM) 6-10 customers and their aim is to continuously meet needs and exceed the wants of this market segment. According to Lamb, Hair, McDaniel, Boshoff, and Terblanche (2008:47) the South African Advertising Research Foundation (SAARF) has introduced a non racial measurement to describe the South African consumer market. The Living Standard Measurement (LSM) is a marketing tool that is used to reach different market segments. The classification of people using LSM is to group similar segments together. The LSM measures

social class or living standards, regardless of race, income or education. The LSM quantifies ownership of certain durable goods to yield a composite measure of social class. Some of the variables that were used to define the LSM measure for All Media Products Survey (AMPS) in 2006 were; hot running water, fridge, microwave, flush toilet, vacuum cleaner, maid, cell phone, telephone, TV sets. There are ten universal LSM groups ranging from ten which has the highest standard, to group one with the lowest standard of living. The American equivalent is the Value Added Living Standards (VALS). VALS classifies consumers based on psychological characteristics that are correlated with purchase behaviour and key demographics (Pride and Ferrell 2010: 171).

The different LSM categories are as follows:

LSM 1: This group comprises of about 6.1 per cent of the total adult population and consists of mostly female living in huts. They are rural based with some primary school education levels. This groups ages range between 16 and 24 years and over 50years. Their household earnings are about R1003 per month.

LSM 2: This group of people comprises of 12.2 per cent of the adult population. They are rural and mainly 16 to 24 years of age and also have some primary school education. Their household monthly income is about R1210 per month.

LSM 3: This group of people make up of 12.6 per cent of the adult population. They are mostly rural people and 16 to 24 years of age and also have some high school education. Unemployment is high in this group and average household income averages R1509 per month.

LSM 4: This group of people make up 14.9 per cent of the adult population. This group consist of rural and urban dwellers. Their age group is between 16 to 49 years old and education levels up to some high school level. Their average income is R1924 per month.

LSM 5: This group comprises 9 per cent of total adult population. They are urbanised, mainly between 25 to 49 years with high school education up to grade 12. Average household income is R2674 per month.

LSM 6: This group comprise 14.4 per cent of total population. They are mainly urbanised group aged between 25 to 49 old with up to post high school qualification but no university education. Average household income is about R4400. They have access to electricity, hot running water and flush water.

LSM 7: This group make up 7.8 per cent of total population. They are urbanised and predominately male aged 25years with grade 12 and higher education qualifications. Their average household income is about R6880 per month and has access to all services and they own all household durables.

LSM 8: This group comprises of 5.7 per cent of total population. They are mainly female urbanised and aged over 35 years of age. They have completed grade 12 higher education qualifications with a household income of R9304 per month. They have access to all basic services and have ownership of all household durables including a personal computer (PC) and a satellite dish.

LSM 9: This group comprises 6.7 per cent of total adult population. They are urbanised and predominantly male and over 35 years of age and have completed grade 12 as well as high level qualification. Their average household income is R12647 per month. They have full ownership of all household durables including a personal computer (PC) at home. Almost 60 per cent own their vehicle. Air travel for this group is common.

LSM: 10: This group comprises 6 per cent of total adult population. They are urbanised and aged over 35 years. They completed grade 12 and have higher education qualifications. They have full access to all basic services including personal computer (PC), satellite dish and own their motor vehicle. Their household income is R19974 per month and local and international air travel is common (Lamb, *et. al.* 2008: 48).

Pick n Pay's most important initiatives in growing a profitable market share and to make these improvements achievable are:

- In store delivery – get it right at the frontline;
- A faster, simpler shopping experience;
- Relentless focus on improving value for money;
- Target relevant marketing communications;
- Aligning the stores to have a new look and feel ; and
- Introducing new and exciting ranges of fresh produce, meat and convenience meals.

3.1.2 Pillar No 2: Customers

This pillar encompasses the introduction of Pick n Pay to the townships and to provide the LSM 4-7 customer segments with a new world of exciting products and services. The company aims to achieve this venture by branding the group's Score supermarkets into black owned Pick n Pay franchises stores. This will inevitably close the gap between the company and their competitors, thus, bringing the best of Pick n Pay to all their customers. The company will focus on managing price perceptions and offer competitive prices for basic food lines to their customers. Pick n Pay continually seek opportunities to invest in new supermarkets in these areas.

3.1.3 Pillar N0 3: Operations (1)

The organization is constantly looking for ways to improve their business functions through numerous initiatives. The two most notable initiatives are;

- Improvement of their supply chain capabilities, especially the warehouse and distribution network capabilities; and

- Implementation of a new SAP system.

In a strategic move aimed at enhancing operations and reducing operations costs, Pick n Pay decided to invest in the Systems Application and Processing (SAP) enterprise resource planning (ERP) solutions which replaces the current Phase 111 and Arms systems throughout the business. The current system only caters for South African currency and it places a constraint on international expansion. The current Phase 111 and Arms system is very labour intensive and cost efficiencies need to be created. The system does not cater for electronic payment facilities for example paying customers, PAYE, employees making the available data system inconsistent and there are no facilities to incorporate the franchisee into the system. In addition, the age and flexibility of the current systems are seen as a major business risk because the underlying architecture of phase 111 makes it highly inflexible to cater for new requirements would need significant redevelopment.

A SAP (EPR) solution will assist to integrate all the information across all its functional areas such as payroll, wages, finance, retail, the distribution centre, franchise and Boxer. The biggest gain from implementing a SAP solution is that Pick n Pay will institute a proven set of business process. Most of the major South African suppliers are on the SAP platform e.g. Distell, Coca Cola, I and J, Levers Ponds, Nestle and others (www.pnp.co.za).

3.1.4 Pillar No 4: Operations (2)

The organisation will continue in its quest to seek new operating efficiencies and pass the savings to their customers in the form of reduced selling prices of their goods and also provide world class services and facilities. Another challenging target is to eliminate unnecessary waste and to integrate sustainable business practices.

3.1.5 Pillar No 5: People

The organization is creating world class retail capabilities for its stakeholders, and striving towards being a great place to work for its employees. The company's vision is for their employees to have passion and drive for the business and customers making Pick n Pay the best retail company to work for. A high performance culture is an inherent part of being an employer of choice.

3.1.6 Pillar No 6: Sustainability

The company regards sustainability as being more than a green company. Their approach is to ensure that they become a more resilient company by embedding sustainable practises in core activities. Their four pillars of sustainability are as follows;

- Economic sustainability;
- Transformation;
- Social development; and
- Environmental responsibility.

Pick n Pay's main objective is about serving the customers and delivering world class service and making customer focus the core of everything they do (Pick n Platter 2009: 4). A report in the company's intranet stated that Pick n Pay was voted the world's best retailer in the year 2008. The American based National Retail Federation (NRF) made the announcement at their annual convention and expo in New York. This highly converted award is given to a retail firm that has achieved an international reputation for excellence and distinguished service to the retail industry. The award involves selection by global retail industry leaders and was accepted by the chief executive officer (CEO) Nic Badminton who acknowledged the supportive board members, management team and the exceptional employees (<http:junction/pnp/view/pnp/en/page62610>).

Pick n Pay's management realised that their long term success depends on the sustainable development of the communities they serve and therefore they have always played an active role in supporting and building local communities in which they do business. Social Investment is a core part of their values and principles, and a critical component of corporate governance. The company has committed resources for social investment initiatives each year and adopt a flexible approach, responding to the needs of communities under specific circumstances. Funds are distributed both centrally from regional offices and from individual stores. This ensures that the stores stay in touch with the communities that support them. Pick n Pay support a diverse and extensive range of projects and hundreds of charities and development projects. To assist in tracking the diverse Corporate Social Investments (CSI) initiatives a database with the details of projects and organisations they support is available to all employees on its website (<http://junction/pnp/view/pnp>).

3.2 EMPLOYMENT AT PICK n PAY

3.2.1 Appointment Letter

A letter of appointment is handed to successful candidates applying for vacant advertised positions in the company. This letter confirms the position, hours of work, main duties and probation period, notice period as well as information on the retirement fund, medical aid and any special conditions of service. It constitutes the written contract of employment between the company and the employee and must be signed by a company representative and the employee. The letter of appointment is given to all full-time employees, flexible-time employees, part-time and new-part-time employees, variable-time employees, occasional-time employees and fixed-period employees on commencing their employment: In the case of fixed-period employees, the letter must stipulate the period of employment. In instances of transfer, promotion and demotion, a letter is handed to

employees outlining changes in employment conditions such as the job, main duties and monthly salary. The company retains a signed copy of the letter in the employee's personal file. No appointment letter is given to a person who is employed on an ad hoc basis. (<http:junction/pnp/view/pnp/en/page62610>).

3.2.2 Employment Contract

The letter of appointment serves as a contract of employment between the company and each of its employees as per the conditions stipulated in the letter. In addition, in line with the contract of employment, the employees are required to adhere to the terms and conditions of employment and to conform to the stipulated work standards, expectations, requirements, rules and regulations. Collective agreements concluded between the company and unions for employees in the non-management bargaining unit form part of the employment contract for these employees.

3.2.3 Hours of Work

Employees are required to work variable shifts in line with the business needs and trading requirements, therefore, starting times vary. In terms of the company's contract of employment with employees, a minimum of four consecutive hours and a maximum of eight or nine consecutive hours are worked. The hours of work might differ according to the employee's job category. The hours of work are recorded using the various wage systems in use for example Pick n Pay uses the Kronos System. The ordinary hours of work as mentioned above and the overtime limit of 12 hours per day inclusive of ordinary hours of work do not apply in instances of emergency work (<http:junction/pnp/view/pnp/en/page62610>).

3.2.4 Rest and Meal Breaks

There are also two rest breaks of 15 minutes each, one before the meal break and one after the meal break; for example one in the morning and the other in the afternoon. The two rest breaks form part of the employee's ordinary hours of work. Arrangements can be made with management for the employee to take one rest break of 30 minutes instead of two 15 minutes break because of operational requirements in specific departments. A meal break of one hour applies after five consecutive hours of work. The meal break does not form part of the ordinary hours of work of the employee. Arrangements of a meal break of 30 minutes instead of one hour - because of operational requirements in specific departments are subject to agreement with the employees concerned. A meal break does not apply to shifts of six hours work, notwithstanding the requirement of a meal break after five hours work. According to the Sectoral Determination 9 for the Wholesale and Retail Sector the rest breaks and the meal break do not apply in instances of emergency work (<http:junction/pnp/view/pnp/en/page62610>).

3.2.5 New Stores

New stores are staffed with existing employees including variable-time and occasional-time employees before employing workers from outside its parameters. If it is absolutely essential to take on additional employees from outside its parameters, they must be employed as a probational variable-time employee on fixed period contract for three to six months. This allows for greater flexibility and control of numbers in the staffing numbers of new stores, until trading patterns and turnovers have been established. Fixed-period contract employees must receive a letter of appointment specifying the duration of the contract (<http:junction/pnp/view/pnp/62610>).

3.2.6 Testing

New applicants applying for positions from outside the company have to be tested on relevant tests in existence at the time of application. Employees who are already in a position or fulfil the functions for that position are not required to complete applicable tests when applying for a similar position in the same or another store. All full-time, part-time, new part-time, flexible-time, variable-time and occasional-time employees applying for positions in which they do not have any experience, are required to complete the applicable tests for example clerical / administrative, receiving, cashier, supervisor, trainee manager. Any self-development initiatives by applicants will be to their advantage because selection is based on thorough interviews and management recommendations will be taken into consideration. People applying for specialized positions may be required to demonstrate required abilities as part of the requirements (<http://junction/pnp/view/pnp/en/page62610>).

Employees maybe subjected to the following tests, numeracy, literacy, or skills base for the positions in which they apply. In line with company standards, employees are expected to develop themselves in order to comply with these standards. Therefore testing in this regard is used as a development tool. In addition, all employees who temporarily relieved in a higher job category up to 1 July 2000 received permanent reliever status and applications by them for permanent employment in that higher job category is not subject to testing.

All employees wishing to relieve in a higher job category must undergo the necessary testing and training before taking on the role of reliever and relieving in that position. A schedule of relievers is kept in the store to ensure that each reliever receives a fair opportunity. However, in emergencies - where there are no permanent relievers and or no trained relievers - it is permissible to utilise the services of another employee to temporarily relieve in that position. The employee concerned will not be considered for permanent relief in the future (<http://junction/pnp/view/pnp/en/page62610>).

Pick n Pay's policy on vacant positions is that it must be filled from within the company. External recruitment may only take place where vacancies cannot be filled from within. The company is committed to training and developing its employees to advance and fill vacant positions wherever possible. External recruitment may only take place after it has been established that there are no suitable employees in the affected region. Vacancies up to and including trainee manager must be advertised in the store / operating unit within the geographical area, i.e. E Cape, Free State, Gauteng, Northern Region, and W Cape. Appointment to a vacancy in the store / operating unit within a geographical area is made on a progressive preference basis in the following order, firstly full time employees, then part-time and new part-time employees, variable-time employees fixed-period and lastly flexible-time and occasional-time employees.

Pick n Pay's different categories of employees are as follows:

- Permanent employment (Full Time);
- Variable Time (VTE) / Casual Employees;
- Occasional Time Employees (OTE);
- Temporary employees; and
- Management employees.

The focus of this study was on permanent and VTE (casual employees) because they make up the core of the employees working in the Pick n Pay supermarkets.

3.2.7 Permanent / Full Time Employees

Permanent / full time employees generally work forty five hours per week and receive a monthly salary and their working conditions are identified in their remuneration packages. Some of the conditions under the remuneration include annual leave, retirement funds contributions, health benefits, sick leave, and other benefits provided by the employer are indicated in their salary advice. All the participating supermarkets have permanent / full time employees working forty five hours a week and 196 hours a month. They work a six day week with Sundays being optional. Assistant manager level and full-time employees receive long service leave as follows: one additional week of annual leave, i.e. five weeks in total, on completion of ten years of continuous service; Two additional weeks of annual leave, i.e. six weeks in total, on completion of every five years of continuous service thereafter, i.e. after 15, 20 years services and so on (<http:junction/pnp/view/pnp/en>).

3.2.8 Variable Time / Casual Employees

The introduction of Sectoral Determination Act (9), made under the auspices of the Labour Legislation afforded Variable Time Employee's (VTE) benefits which were to be included in their contracts of employment for the first time. VTE / Casual employees are guaranteed a minimum of 85 hours per month from Mondays to Sundays inclusive of public holidays as from 1 May 2004 and if they were in the company's services as casual employees on or before 30 April 2004. Their hours of work are flexible and are scheduled according to operational requirements up to 45 ordinary hours per week and 196 ordinary hours per month. These employees are engaged to work on an hourly or daily basis. The SD9 agreement applies to all employment conditions that have not been amended in terms of collective agreements with a union or in terms of individual contracts of employment (<http:junction/pnp/view/pnp>).

Most supermarkets trade long hours and over weekends in response to the catering needs of working families. In addition, the peak trading periods occur during workers lunch hours (between 12h00 and 14h00), in the evenings (between 16h00 and 21h00) and over weekends. In order to cover these peak periods with employees, supermarkets have two different shifts in operation. The permanents normally work the early shift and the late shift is normally covered by the casuals. Casual (VTE) employees can be more difficult to manage because they trend to be less committed to the company and their jobs and are more likely to resign from their jobs than the permanent employees (www.moneystuff.net.au).

3.2.9 Occasional Time Employees

Only Pick n Pay employs this type of employees, they work a maximum of 24 hours per month from Monday to Sundays inclusive of public holidays. They receive no fringe benefits, for example no sick leave, holiday pay (<http://junction/pnp/view/pnp/en/page62610>).

3.2.10 Temporary Employees

Temporary workers, often called "temp" are employed by a temporary service business and they are very seldom working for the company. These employees usually work for a short period of time at different companies to which they are assigned. The workers are employees of the temporary business, and not the companies where their work is performed. The temporary service pays the workers' wages and withholds taxes, unemployment insurance and workers compensation from pay checks as other employers are required by legislations. The types of workers most commonly hired by temporary services include office and clerical support staff, technical workers and professionals.

3.2.11 Management Employees

Approval from the Director of Human Resources must be obtained before employees from within and outside the company is appointed to store manager. The employment of candidates from outside the company is usually in connection with positions in accountancy, human resources, information technology, and occupational health. Company employees earning a salary in excess of R11, 518 per month do not have their hours of work regulated by the provisions of either Sectoral Determination Act 9 or the Basic Conditions of Employment Act (BCEA) therefore, their hours of work is discussed with management. Management employees in positions from assistant manger level upwards receive two weeks additional leave after every five years of continuous service; i.e. six weeks in total after five years, after ten years. Management employees from the level of assistant manager upwards receive four weeks annual leave per year (<http:junction/pnp/view/pnFp>).

3.2.12 Employment in Positions with Specific Skills

When food technologists are appointed from within or outside the company they must have relevant tertiary qualifications in the form of a degree or diploma. A newly appointed food technologist receives floor manager level status after successful completion of their probational period, which includes the completion of an in-house course called the Introduction to Retail Management for food technologists it combines retail and food technology job specifics.

Human resources officers appointed from either or outside the company must have a relevant degree or diploma in human resources with a core component in one of the following disciplines namely Psychology / Industrial Psychology; Human Resources / Personnel Management, Industrial Relations / Law, Training and Development / Teaching; and Organisational Development.

They must have three years working experience in a human resources dept or in line management with at least assistant manager status at the time of application. Appointment as a human resources officer starts at assistant manager status which is awarded to the employee on successful completion of their probation period, which includes the completion of the in-house courses (Introduction to Retail Management File and Human Resources Management File).

The trainee manager development progress in management training is dependent on successfully meeting requirements as determined in mini-panel assessments by department specialists for each of the various departments within the store. Time spent in a department is not only subject to successful completion of the required mini-panel but is also dependent on the operational needs of the store. Driving licence is a requirement for this position because they will be required to work in any store in the Western Cape region. When a trainee manager is not in possession of a driving licence on date of commencing duties, they must obtain a driving licence within six months of appointment as trainee manager. Their progress in the trainee manager programme is dependent on them obtaining their drivers licence. The company will assist the employee in obtaining the licence by providing time-off during working hours for driving lessons in equal proportion to the time taken by the employee outside working hours up to a maximum of 12 hours. If the trainee did not secure their drivers licence within six months, the trainee will remain in the department in which he/she is working at that time. Only on furnishing proof of licence will the trainee progression will resume in line with the trainee manager programme. A loan of R2 000 will be made available to the trainee for the running costs of the licence if required. This loan must be paid back in six months.

When an employee is appointed to the position of Manager (CSM) and is not in possession of a driving licence on date of commencement of duty, they must obtain a licence within six months of appointment. The company will assist in getting the licence (see trainee managers drivers assistance p.146). Where a valid licence has not been obtained by the end of the six month

period, the reasons must be reviewed by management. An extension must be granted if there are reasonable grounds for not obtaining the licence. In circumstances where there is no reasonable grounds for not obtaining a licence within the extended time period then he / she reverts to the same or a similar position to the one before appointment to CSM. Salary and benefits will be adjusted in line with the new position but will not be less than the salary and benefits at the date preceding the appointment.

3.2.13 Criminal Records and Financial Standings

Any applicant for employment must authorise the company to investigate his / her criminal record as stipulated in the application for employment. Employment of an applicant with a criminal record is subject to his / her satisfactory explanations about the reasons for the circumstances. With regard to the applicant's financial standing, a following credit check will be conducted on applicants for finance, high-risk and security positions. These credit checks apply to both internal and external applicants.

3.2.14 Permanent Residence

Non-South Africans can only be employed if they are in possession of a permanent residence permit.

3.2.15 Outside Business Interests

The company permits employees to have financial interest in outside ventures and their active involvement of any form in an outside venture must be declared in writing to the general manager so that any conflict of interest can be avoided. It is important that their outside interests must not take up time that the employee would normally devote to the company's affairs. Where an employee is not personally involved in an outside venture but has close relatives involved in

business dealing with the company, this must also be declared in writing to the general manager to avoid any conflict of interests.

3.2.16 Re-Employment of Ex-Employees

The company is committed to providing growth opportunities for its employees, and it is for this reason that employees in senior positions leaving the company's employ are not re-employed. All applications for re-employment will be treated on merit with reference to past performance, for example, employees at the level of assistant manager and below may be re-employed at the discretion of the general manager. Employees at the level of manager and above may be re-employed subject to approval of the director-human resources. Those employees accepting the company's voluntary retrenchment / early retirement package are not eligible for re-employment in any position within the company.

A job applicant who is fifty years or older must be informed of the company's retirement age (i.e. 60 years). The benefits expected when retiring must also be brought to their attention. All this is done in close liaison with the human resources director prior to employing the person.

Anyone over the age of sixty years may only be employed on a contract basis for a maximum of twelve months with the permission of the director-human resources. He/she may not become a member of any of the company's retirement fund and accordingly will not be covered by the Group Life or Disability Scheme given under Retirement Benefits. It is also required to indicate this in the letter of employment (<http://junction/pnp/view/pnp/en/page10>).

3.3 SICK LEAVE

With the implementation of the Sectoral Determination 9 for the Wholesale and Retail Sector, the sick leave balances that employees were able to accumulate from one sick leave cycle to the next as per the provisions of the Wage Determination 478 for the Wholesale and Retail Trade have fallen away. This means that all employees commencing a new sick leave cycle as from 1 May 2004 onwards are only entitled to 36 days sick leave over a three year cycle. Sick leave balances accumulated still apply to employees who have not yet started a new sick leave cycle. Sick leave accumulated in the old cycle will fall away when the new sick leave cycle commence. Days off because of illness in excess of sick leave entitlements are treated as unpaid. These sick leave provisions do not apply to occasional-time employees. The following provisions are made for full time and variable time employees.

- **Full-time and Variable time (Casual) employees**

The sick leave entitlement for full time employees is 36 days within every three-year (36 months) cycle from the commencement of employment.. The five-day a week working employees receive 30 days and a six-day week employees receive 36 days. During the first six months of employment, this forms part of the 36 months cycle, the employee accumulates sick leave, one day per 26 days worked (equivalent to one day per month for six-day employees). As from the seventh month, the full three-year cycle entitlement minus the days already taken - becomes available. When the employee do not take the allotted sick leave over the 3 year cycle, it automatically falls away at the start of the new three-year cycle. The full three-year cycle entitlement of 30 / 36 days becomes available. VTE sick leave is calculated as ordinary hours per month (85hrs) divided by 4.333 weeks in a month multiplied by 6 weeks. The VTE accrued annual leave on the basis of the number of ordinary hours paid multiplied by a factor of 0.0574. The SD9 agreement applies to all employment

conditions that have not been amended in terms of collective agreements with a union or in terms of individual contracts of employment with employees outside the bargaining unit represented by the union.

- **Conditions for taking annual leave**

The conditions for taking annual leave, are employees with accumulated days leave qualify for annual leave. Annual leave must be taken annually and must not be later than 12 months after the end of the annual leave cycle. The leave schedules are prepared at the beginning of each year and management must make every effort to ensure that employees go on leave as scheduled. The employees spouse / life partner also working for the company should be allowed to take leave over the same period. With reference to the Sectoral Determination 9 for the Wholesale and Retail Sector, variable-time employees must take a minimum of two weeks leave and a maximum of three weeks leave before the next leave cycle begins. Their annual leave is based on the number of hours of worked and accumulated over a yearly cycle. The VTE accrued annual leave on the basis of the number of ordinary hours paid multiplied by a factor of 0.0574.

The VTE employees cannot accumulate more than 40 days leave during any one leave cycle. Arrangements for leave are subject to trading requirements and business needs and therefore require a joint agreement of both management and the employee. If agreement cannot be reached, then management will get together with the employee and their representatives and try to reach an amicable solution. Instances of employees not taking leave because of work pressures require the general manager's authorisation. Payment in lieu of leave is not permitted by the company but leave is only paid out on termination of services. The employee is not allowed to work for the company while they are on leave (<http://junction/pnp/view>).

3.4 ABSENTEEISM IN PICK N PAY

Pick n Pay has absenteeism policies in the recognition agreement with the union in place but allows the Basic Conditions of Employment Act to apply where there is no policy. According to the Basic Conditions of Employment Act, 75 of 1997, Section 22 (3) states that "during the first six months of employment an employee is entitled to one day sick for every twenty six days worked." Soma Initiative a company that track and record absenteeism for many companies assist Pick n Pay with this initiative indicated that newly appointed employees were being paid sick within their initial twenty six days of employment because it appears that management was not aware of the sick leave policy. This was as a result of misunderstanding amongst management. Soma recommends the company conduct a meeting about the consequences of absenteeism with those employees still on probation with absenteeism records. The employees should be advised that excessive absenteeism can lead to dismissal. The company lost 11.71% of its available working hours between January to June 2010. There were 37526 incidents of unscheduled leave in the Western Cape Supermarkets and there were 5152 incidents of sick leave which accounted for a loss of 1.58% of the company's available working time. These statistics indicated that it has become important for the company to address absenteeism and increase productivity and profitability (<http://junction/pnp/view>).

3.5 PICK n PAY DISCIPLINARY PROCEDURES

Pick n Pay's disciplinary procedure is intended to promote the smooth and co-operative functioning of the company, ensuring that the employees observe the company rules and regulations of conduct and behaviour. This procedure should ensure that, where management is dissatisfied with the performance or behaviour of employees, and when employees are transgressing company rules and regulations then fair and just treatment are meted out to such employees in order to rectify their behaviour. While this disciplinary procedure provides for measures which are punitive,

their intentions are to be corrective. Thus, ensuring that employee behaviour or performance meets company standards. No employee or chosen representative shall be prejudiced in any way as a result of his participation in disciplinary proceedings. This assurance is given on the understanding that disciplinary action taken against an employee may result in suspensions, demotion or dismissals. Whenever an employee commits an act that transgresses the company rules, regulations and standards with regard to performance and behaviour, then such employee shall be liable for disciplinary action. The disciplinary procedure allows for four (4) levels of disciplinary action, namely:

- Verbal Reprimand (1st Level);
- Verbal warning (2nd Level);
- Written Warning (3rd Level); and
- Disciplinary Enquiry (4th Level).

The recognition agreement between the company and union recognises that management is responsible for determining, the level of discipline that will be administered against the offender. There are two types of offences covered in the recognition agreement; they are mandatory and non mandatory offences.

3.5.1 Mandatory Offence

The laid out mandatory operating unit rules and regulations are as follows:

- Transgressing laid-down mandatory company rules and regulations;
- Drunkenness / intoxication on duty;
- Consumption of alcohol or taking of non medically prescribed drugs while at work;
- Contravening Statutory Acts of Legislation; and
- Dishonesty, encompassing attempted or actual.

3.5.2 Non Mandatory Offences

The laid out non mandatory operating rules and regulations are as follows;

- Transgressing laid-down non-mandatory company rules and regulations;
- Poor time-keeping and regular lateness;
- Regular unexplained or poorly explained absences; and
- Intoxication outside working hours where such intoxication causes an employee to fail to report for duty.

Where an employee is considered by management to have violated company standards of behaviour, work performance, policies, procedures, practices, rules or regulations, the procedure detailed below shall be followed. When an employee commits a non-mandatory offence, management may subject the employee to a verbal reprimand. Such action may occur on a day-to-day basis and will take place when an employee fails to meet behavioural or work standards. Normally, such reprimand would be given directly and verbally to the employee by his immediate supervisor. When a reprimand is issued by any other member of management, it must be communicated to the employee's immediate supervisor for recording purposes.

A verbal warning given to an employee by his immediate supervisor or management and must be administered in the presence of the employee's chosen representative. The warning shall effectively indicate to all parties that further disciplinary action may take place if the matter in question is not satisfactorily resolved. The verbal warning may only be given when a non-mandatory offence is committed. The written warning may be administered when the verbal reprimands did not have the desired effect of rectifying employee behaviour. The member of management issuing the verbal warning must record the warning in the verbal warning register (<http://junxion/pnp/view/pnp/en/page75527>).

3.6 CUSTOMER SERVICES IN PICK N PAY

The Managers also known as “customer representatives”, ensure that the company manages and maintains good levels and in store liaison with customers. They play an integral part in each stores charitable work and social initiatives, addressing community needs in their trading area. It is company policy to respond to every instance of community mishaps, however minor. The company promises to process requests and complaints concerning products and services as quickly as possible and to communicate with their customers on a range of issues, with specific tools such as, s and toll-free numbers (Pick n Pay annual Report 2009:55).

According to Johnson (2010: 3) excellent is the lifeblood of any business. It can mean the difference between customers leaving and not returning or walking off with a smile. Price cuts, promotions and clean stores may bring in customers, but the trick is to make them repeat customers, better still they should spread the good news about their pleasant shopping experiences to their family and friends. When customers are lost, it is not because something was expensive or its being unpacked. It's because something went wrong at a one to one level and this problem probably had nothing to do with the products on the shelves. It is important to remember that s are all about building relationships. What is said to customers and how it is said is of vital importance as what you don't say.

According to Johnson (2010: 3) a simple greeting “good morning or good afternoon” is top of the list in terms of s and the lack of it is one of the main things their customers complain about. Furthermore, s means treating both customers and staff with respect and a possible attitude. A few guidelines listed by Pick n Pay to make shoppers repeat customers are as follow:

Saying Hello: a friendly, professional greeting can create a positive impression in the minds of the customer whether it is on the phone, at the till, in the aisles or standing at the door;

Being Helpful: customers appreciate assistance. The assistance could be by taking the customers to a particular aisle instead of pointing to the customer the product are over there. Small gestures can make a big difference to the customer;

Listen to the Customer: allow the customer the privilege to talk without being interrupted. Pay attention to the customer and take their complaints seriously and address the situation immediately;

Keeping Promises: promises to customer must be fulfilled. One of the few things that upset customers are for them to be kept in the dark about their request;

Make Notes: taking notes about the complaints, gives the impression to the customers that the employee is paying attention to them and detail of the incident is being recorded correctly;

Respect is King: rudeness and disinterest have no place in the workplace. Never talk about customers to a colleague and don't mutter about them. The customer may probably realise what is happening and one of two things might happen; they might not return, and might complain to management; and

Body Language Talks: even when not a word is spoken, it is easy for customers to read a lot into body language for example heavy sighs, slouching and dragging your feet have the opposite and negative effect to the organisation.

3.7 HIV / AIDS IN PICK N PAY

According to Ellis and Terwin (2004: 1) South Africa stand at the brink of a full blown AIDS crisis and the results will impact the economy negatively. Since the discovery of the aids crisis more than five hundred thousand (500,000) South Africans died from this dreaded disease. Pick n Pay management recognise HIV / AIDS as one of the most significant challenges affecting the country and they are committed to addressing the issue in a structured manner. An HIV / AIDS policy has been established in collaboration with the unions. The company recognises and respects the legal rights of all HIV positive employees and no form of victimisation, prejudice, or discrimination against employees with AIDS will be tolerated. Assistance offered to HIV positive employees include free anti-retroviral medication for all Pick n Pay pregnant women and their babies infected by AIDS. Rape victims are also provided with free assistance. The company has established an ongoing education and information programme about HIV / AIDS which is facilitated by a voluntary group of peer educator programmes and are continually reviewed and improved.

The three – pronged approach to the HIV / AIDS programme is aligned to the employee's right to confidentiality and their status is not reflected in any form in the company's records. Assistance offered to HIV-positive employees includes free anti-retroviral medication and rape victims also receive assistance. The Pick n Pay HIV / AIDS employee education and information programme comprises of the following three phases.

- **Phase one (Prevention):** information on HIV / AIDS is distributed to all employees. The literature distributed promotes health awareness and discourage the spread of HIV / AIDS. Condoms are made available to all employees and they are provided with guidelines on managing and educating themselves around HIV / AIDS in the workplace;

- **Phase two (Treatment):** A comprehensive programme at no charge includes voluntary testing, pre and post – test counselling and support services are available to rape and HIV / AIDS employees and;
- **Phase three (Coping):** the company encourage a supportive and non discriminatory environment (PnP, 2005: 71)

3.8 COMPANY 2 (SPAR)

3.8.1 Introduction

At the beginning of the 1960s, grocery stores were emerging all over South Africa. In responses to this threat, a group of eight wholesalers got together and introduced SPAR. In the year 1963 SPAR S.A. (Pty) limited was awarded SPAR rights. South Africa became the first country outside Europe to join the SPAR organisation. The initial membership was 500 stores and utilising an average of 150sq metres of trading space. In the year 2008 Spar's market share improved to an all time high of 27.6 per cent with 825 stores trading under the SPAR banner. The SPAR group acts as a wholesaler and distributor of goods and services to the retail stores in their group (<http://www.euromonitor.com / Retailing in South Africa exec>).

There are six distribution centres in the country providing goods to retail stores in South Africa, Swaziland, Botswana, Namibia, Zimbabwe and Zambia. Spars philosophy is "all will benefit from united co-operation". The relationship between the SPAR and the independent retailers is one of a "voluntary trading" partnership. The company's vision is "to provide world class support to independent retailers in South Africa to enable their brand to be number one in the markets they serve". Spar is an international leading global brand and is the world's largest food retailer with

approximately 15,000 stores in 35 countries worldwide. There are three different supermarket formats in the SPAR organisation (<http://www.spar.co.za>).

The SPAR group act as a wholesaler and distributor of goods and services to the Spar retail groceries stores, Build IT building outlets and TOPS at Spar liquor stores. The company actively drives and manages its brands and provides a full range of support services to independent retailers. The chairman Hankinson, (2009: 6) stated that the highly competitive environment resulted in stock benefits being passed on to consumers by the way of reduced pricing. The Spar branded products continued to perform well with year on year sales increased by 44%. According to Hankinson the group will continue to drive its house branded product range aggressively as a profitable differentiating factor. In addition, he indicated that various initiatives have been put in place to harness the groups buying power. The initiatives have proven to be successful in the following departments produce, bakery and meat categories. These product categories together with the home meals replacement category remain areas of focus because of their higher gross profit margins and changing economic times. Spar is addressing capacity issues by improving processes and driving efficiencies in warehouses, moving the delivery of goods to retailers with available capacity, by establishing local satellite warehouse for fast moving goods and expanding distribution centres facilities. The introduction of new technology has been the driving force of warehouse efficiencies and radio frequency and voice technologies have led to the improvement in the speed and accuracy of the warehouse receiving and picking processes <http://www.spar.co.za>).

Spar is committed to a policy of dealing fairly and with integrity in the conduction of its affairs with its stakeholders. The company has in place a code of ethics which reflects the group's position on ethics and integrity and compliance with the code of ethics is perquisite for all group employees. Spar conduct its business in a honest and truthfulness manner because their belief is that fair trade is essential for sustainability and the company prides itself on its relationships with both its

retailers and suppliers. The group remains committed to sustainable business practises and is aware that its current and future success depends on creating an organisation that is conscious of its impact on the environment and its contribution to the lives of its various stakeholders. This report deals with sustainability from a social transformational and operational impact perspective. Spar is committed to behaving and operating in a socially responsible manner in its dealings with staff, retailers, stakeholders, consumers, local communities and government departments in the highest level of ethical behaviour and integrity. The company believes that its employment practises are instrumental in its ability to attract and retain talent. The group aspires to being an employer of choice with its employees because of their market related conditions of employment. The core to Spars upliftment programme is corporate social investment and is an important way of alleviating poverty and hardship in communities. The group contribute one per cent of its post tax profit towards assisting previously disadvantaged communities. Their major focuses are poverty alleviation, health and hunger, safety and crime reduction programmes (<http://www.spar.co.za>).

Spar has three different supermarket formats. They are as follows:

3.8.2 Super Spar

- This format store has a selling area of 1300sq metres;
- This format store products are very aggressively priced;
- This format store stocks a full range of groceries and general merchandise;
- This format store have extensive service departments such as fresh produce, bakery, butchery, deli and meal solutions; and
- They offer friendly and professional services.

3.8.3 Spar

- This format store has a selling area of 700 sq metre, trading in city neighbour hoods and rural areas;
- Their products are competitively priced and providing a professional and friendly service; and
- The stores are equipped with the following service departments, fresh produce, bakery, deli and home meal replacements departments (<http://www.spar.co.za>).

3.8.4 Kwikspar

- This format store has a selling area of 250 to 600sq metre;
- This format store offer a range of prices at good value;
- This format store focus on convenience foods with emphasis on speed and providing friendly and professional services; and
- This format store supply the consumer with fresh produce, baked goods, meat and take out foods (<http://www.spar.co.za>).

3.9 ABSENTEEISM IN SPAR

According to Oliver (interviewed on 12/2/2010), absenteeism is becoming a problem, which management is tackling on an ongoing basis. Oliver stated that absenteeism impacts on service quality and staff morale contribute to financial losses for the company. The stores employees absent numbers for Jan to June 2009 and 2010 are indicated on see Table 3.1 p.161.

According to Heads (2005:1) "in terms of the common law a contract of employment is based on an agreement between two parties an employer and employee". In addition, the author stated that the employer is obligated to pay the employee for their services and the employee has to render their labours to the company. According to Robins (1996: 26-27) employee failing to report for duty, the employer must record them absent.

Table 3.1 Employee Absent Figures for Elite Super Spar.

Time frame	January	February	March	April	May	June
2009	2009	2009	2009	2009	2009	2009
Permanent absent no 2009	9	12	25	7	8	11
Casual average no 2009	14	19	34	14	13	17
Total	23	31	59	21	21	28
Time frame	January	February	March	April	May	June
2010	2010	2010	2010	2010	2010	2010
Permanent absent no 2010	10	15	15	10	11	10
Casual average no 2010	14	18	16	15	13	19
Total	24	33	31	25	24	29

Source: (Elite Super Spar: Athlone 2010)

Table 3.1 indicate the Elite Spars permanent and casual absenteeism figures for January to June 2009 and 2010.

3.10 DISCIPLINARY PROCEDURES IN SPAR

The general idea behind discipline at Spar is corrective behaviour which is under their ambit of sound business practises. According to Oliver (interview on 13/01/2010) there are two forms of discipline that the company follows namely, non mandatory and mandatory. Mandatory offences are for serious aggressions for example theft and drinking on the job while non mandatory offences are for less serious offences. The general procedure addressing absenteeism at the Spar franchise is as follows:

3.10.1 Initial Warning(s)

The immediate supervisor meets with the employee and his representative and explains the misdemeanour committed by the employee and their rights. The supervisor will recommend that the employee improves their behaviour or further disciplinary action will be taken. The supervisor issuing the warning will offer counselling or guidance that is appropriate to rectify behaviour. Management can issue a further two verbal warnings if there is no improvement shown. After the verbal warning stage a written warning should be issued to the employee.

3.10.2 Written Warning(s)

For example an employee has an absenteeism problem; management interviews the employee with a representative of his choice from the operating unit and present them with the employees' absenteeism statistics. Management must explain to the employee about their erratic behaviour and offer assistance to rectify behaviour. Management must allow the employee to explain the reason for their inappropriate behaviour and a written warning must be issued.

3.10.3 Enquiry

If the problem persists the employee must be called into the office with their representative and issued an allegation sheet. The allegation sheet contains the date and time of enquiry, the allegation and the employee's rights. In the enquiry the accused is allowed a representative to represent him and an initiator represents the company. A manager from a different store is selected chair the enquiry. After listening to the case presentation from both parties, the chairman makes a decision on the outcome of the enquiry and his verdict is binding. The only resolve open to the accused if he / she is found guilty, is to appeal his case. The employee can appeal the result on the following conditions: to harsh a decision or biased chairman. The appeal hearing will be chaired by a senior manager (<http://www.benefits.org/interface/cost/absent2.htm>).

3.11 CUSTOMER SERVICES IN SPAR

"Roberts and Campbell (2007: 56) cited Yavas, Benkenstein and Studhldreier (2004) stated that service quality is the root of customer satisfaction. The Spar group is committed to the principle of transparency, integrity, accountability and openness in its dealing with all stakeholders and endorses the code of Corporate Practise as embodied in the Kings 11 report." "The board is committed in ensuring that compliance with these principles remains an integral part of the manner in which the group conducts its business." The company's fundamental growth strategy is being a good corporate citizen and being committed in having and operating in a socially responsible manner. In its dealings with the stakeholders in the highest ethical behaviour are observed. Spar's corporate social investments are important in alleviating poverty and hardships in communities and remain core to its upliftment programme. One of the company's imperatives requires that transformation must progress in employment equity and black economic empowerment to create a new business platform (<http://www.spar.co.za>).

3.12 HIV / AIDS IN SPAR

According to Beukes from Elite Spar (interviewed 10/02/2010), and Adams from Pick n Pay Atlantis Family store (interviewed 17/03/2010), stated they do not have a HIV / AIDS policy in place but, if they are informed by their employees about their condition, they will assist the employee. Towards the latter part of the year 2010 Van Gate Super Spar changed ownership.

3.13 FRANCHISE SUPERMARKETS

According to Jobber and Fahy (2009: 292), franchising is a legal contract between producer and channel intermediaries they agree to each other's rights and obligations. The intermediaries receive marketing, managerial, technical and financial services guidance for a small fee. Jobber and Fahy state that although the franchise operation gives a degree of producer control; conflict between them exists in some areas. For example, producers may be unhappy with the standard of service provided by employees. In addition, the authors stated that there are three economic conditions that prompted producers to choose franchising as a means of distribution. Franchising may be a means of overcoming resources constraints and cost of distribution can be shared between the partners. It may be an efficient system for overcoming producer / distributor management problems and franchising maybe a way to access local knowledge of the franchisee.

According to Pride and Ferrell (2010: 439), franchising is an arrangement in which a supplier grants a dealer or franchisee the right to sell products in exchange of some form of return. The franchisee supplies labour and capital, operates the franchised business and agree to abide by the franchise agreement.

According to Lamb, Hair, McDaniel, Boshoff and Terblanche (2000: 294), franchising is an agreement between a franchisor and franchisee with objectives of maximising market efficiency of the franchisee at a small fee. The main reason for a franchise arrangement is to obtain financial benefits and reduce business risks. Franchise business is a system that a large company uses to distribute its products and services through retail outlets owned by independent operators. The independent operator does business using the marketing methods, trademarked goods and services and the goodwill and name recognition developed by the company. The franchisee pays a joining fee and royalties to the franchisor. There are various advantages of being a franchisee and some are as follows: It is much easier to start a business and the franchise benefits from the networks brand names and they have access to tested systems. They receive initial and ongoing support and benefit from the franchisors marketing drive and they participate in bulk purchasing programmes.

Franchising can occur at four levels of the distribution chain. They are as follows:

- **Manufacturer and Retail:** This arrangement is very popular in the motor car industry. Manufacturers gets outlets for their cars and repair facility without a capital outlay;
- **Manufacturers and Wholesalers:** Very common amongst the cool drink industry manufacturers. They grant wholesalers the right to bottle their concentrate in line with their instructions;
- **Wholesaler and Retailer:** This is not a common arrangement but it is found with car products and hardware stores allow wholesalers to secure distribution of their products to consumers; and
- **Retailer and Retailer:** This is often used method that has it roots in retail operations, seeking to spread its wings geographically by means of franchising. Examples include McDonalds, Benetton, Pizza Hut; Kentucky fried chicken and supermarkets (Jobber and Fahy 2009: 292)

Elite Super Spar and Atlantis Pick n Pay family supermarkets are franchise businesses (for more about Pick n Pay Atlantis Family Store see p. 168). The owners of the Atlantis Pick n Pay family and Elite Super Spar supermarkets have gained significant experience in the retail industry by working for Pick n Pay before embarking on the privately owned ventures. Accumulatively their experience roughly amounts to one hundred and fifty (150) years with Pick n Pay. As a result, Atlantis Pick n Pay Family store's disciplinary procedures are an exact mirror of Pick n Pay disciplinary procedure model.

Elite Spar is a franchise supermarket trading in Athlone, Cape Town under the banner of Super Spar. The store is in existence for three years and is at the growth stage of its life cycle. The supermarket trades from Monday to Sunday between 08h00 to 21h00. Bernie Beukes, Eddie Beukes and Derrick Oliver operate and own the supermarket.

The supermarket employs 174 employees, 122 being permanent whilst 52 are casual employees.

The following table illustrates the gender make up of the employees working at Elite Spar:

Table 3.2 Total Gender Compositions for Elite Spar Employees

Employees	Elite Super Spar	
	Male	Female
Full time employees	44	76
Casual employees	16	36
Total	60	112

Table 3.2 indicates the gender composition for employees working at the Elite Super Spar supermarket in Athlone.

The employees work revolving shifts and these shifts are allocated as follows:

Table 3.3 Employee Shifts Allocation for Elite Spar Employees

Elite Super Spar Supermarket							
	Mon	Tue	Wed	Thu	Fri	Sat	Sun
Perm (1)	0800-1700	0800-1700	0800-1700	0800-1700	0800-1700	0800-1700	0800-1700
Perm (2)	1000-1900	1000-1900	1000-1900	1000-1900	1000-1900	1000-1900	1000-1900
Casuals					1400-1900	1400-1900	1400-1900

Source: Human Resources Department Elite Spar

Table 3.3 indicate the different shifts Elite Super Spar employees are allocated.

Beukes (interview 20/11/09), has noted that absenteeism is prevalent in the store with an average 20 per cent of all employees are usually absent in any given week. The owners have also stated that the most common cause of absenteeism could be attributed to the workers children being ill.

Oliver (interview 20/11/09), stated that it has become necessary to curb absenteeism as it affect the remaining employees negatively in provide quality services resulting in the payment of excessive overtime and affecting the profitability of the store. Customers become inconvenienced by standing in long queues to pay for their purchases. Oliver also mentioned that during the recession, it gives the employee more reason to provide customers with quality services and maintain their support. Oliver indicated that about 37,569 items are sold weekly in the supermarket and the average price per basket of goods sold is R9.50. An estimation of the stores turnover can be derived at by multiplying the units sold and the average unit price (37569 x R9.50) indicating the estimated turnover for the store. The partners agreed that there is a need to tackle absenteeism and improve s and therefore they did not hesitate when the researcher approached them to include their supermarket in the study.

3.14 TRIAL STORE

The Atlantis suburb of Cape Town is located 50 kilometres from the city centre. Initially developed as an industrial hub, Atlantis has a well developed residential area; it has a population of approximately 250,000 people. The Atlantis family supermarket is a franchise store of Pick n Pay and is situated in the residential area of Atlantis. The supermarket is owned by Sedick Adams and partners and is owner managed. The store trades from 08h00 to 19h00 every day of the week. The supermarket employs one hundred and thirty five employees; one hundred are permanent while thirty five are casual employees.

Table 3.4 Gender Compositions for Pick n Pay Atlantis Family Store
Employees

Employees	Pick n Pay Family	
	Male	Female
Full time employees	30	70
Casual employees	10	25
Total	40	95

Source: Trial Store H.R. Dept

Table 3.4 illustrates the gender composition of the employees working at the Pick n Pay Atlantis family store.

The employees work revolving shifts. The permanents work two shifts, the early shift starting at eight in the morning and finish work at five in the evening from Monday to Sunday. The late shift starts at ten in the morning and finish at seven in the evening from Monday to Sunday. The casuals start work on Friday to Sunday at two 'o clock in the afternoon and finishing at seven in the evening.

Table 3.5 Shift Allocation for Pick n Pay Atlantis Employees

Pick n Pay Atlantis Family Supermarket (Trial Store)							
	Mon	Tue	Wed	Thu	Fri	Sat	Sun
Perm (1)	0800-1700	0800-1700	0800-1700	0800-1700	0800-1700	0800-1700	0800-1700
Perm (2)	1000-1900	1000-1900	1000-1900	1000-1900	1000-1900	1000-1900	1000-1900
Casuals					1400-1900	1400-1900	1400-1900

Source: Pick n Pay Atlantis Human Resources Department

Table 3.5 indicate the different shifts permanent and casual employees at Pick n Pay Atlantis employees are allocated.

Adams (interviewed 18/11/2009), has stated that absenteeism is prevalent in the store, with an average of 8 percent of all employees are usually absent in any given week. He stated that the common cause for absenteeism can be attributed to substance abuse and the workers children being sick. He indicated that absenteeism must be stopped as it is having a detrimental effect on the business. Adams and partners gladly accepted the proposal to be part of the research study.

Listed below is the permanent and casuals absenteeism numbers for the Trial store for 2009 and 2010.

Table 3.6 Employee Absent Numbers for Pick n Pay Atlantis (2009-2010).

Time frame	January	February	March	April	May	June
2009	2009	2009	2009	2009	2009	2009
Permanent absent no 2009	10	12	28	10	8	12
Casual average no 2009	16	20	34	14	14	17
Total	26	32	62	24	22	29
Time frame	January	February	March	April	May	June
2010	2010	2010	2010	2010	2010	2010
Permanent absent no 2010	14	16	17	12	15	15
Casual average no 2010	14	18	16	15	13	19
Total	28	34	33	27	28	34

Source: (Pick n Pay Atlantis 2010)

Table 3.6 indicate the absenteeism figures (numbers) for January to June 2009 and 2010 for Pick n Pay Atlantis. Secondary data concerning statistical information relating to absenteeism has been sourced from the Wage and Human Resources departments of the participating stores confirming that there might be an absenteeism problem. The research surveys used the scale disagree and agree. The rationale behind the use of the scale was that it would force the participant to choose between disagree and agree. The recommendations of this research was handed to the management of all participating supermarkets to adopt if they so desire. In the next section the labour relations act with some of the requirements companies must adhere to, which assist in the economic stability of the country. Some of the most important statute laws that companies have to abide by are listed below.

3.15 THE LABOUR RELATIONS ACT (66 of 1995)

The purpose of this act is to advance economic development, social justice, industrial peace and the democratization of the workplace with reference to the following: freedom of association giving employees the right to join trade unions and employers the right to join employers' organizations. The purpose of establishing collective bargaining units is for concluding collective agreements with a trade union. Workplace forums for obtaining employee involvement and participation in work matters; Dispute Resolution with regard to rights such as implementation and interpretation of collective agreements and unfair labour practices, and disputes of interest such as strikes and lockouts.

3.15.1 Sectoral Determination 9 of the Wholesale and Retail of DEC, 2002 (SD9)

The SD9 applies to all employment conditions that have not been amended in terms of collective agreements with a union or in terms of individual contracts of employments with employees outside the bargaining unit represented by the union. Some of the agreements reached are that they receive allowance for cleaning their uniforms. The employees must be issued with overalls and protective clothing. The employees have to be notified if the employer terminates their contract of employment. The employer is prohibited to employ persons under the age of 15 years and for female employees within 4 weeks prior to and six weeks after the birth of a baby unless certified fit by a doctor or midwife. The employer has to maintain attendance registers and the equivalent for the employees. The introduction of Sectoral Determination Act (9), made under the auspices of the Labour Legislation afforded Variable Time Employee's (VTE) (casuals) benefits which were to be included in their contracts of employment for the first time. Some of these benefits included: were that variable time employees are guaranteed eighty five (85) hours of employment per month depending on their commencement of employment (prior to 2004 they were guaranteed no hours).

The VTE are given sick leave which is calculated as ordinary hours per month (85hrs) divided by 4.333 weeks in a month multiplied by 6 weeks. The VTE accrued annual leave on the basis of the number of ordinary hours paid multiplied by a factor of 0.0574. The SD9 agreement applies to all employment conditions that have not been amended in terms of collective agreements with a union or in terms of individual contracts of employment with employees outside the bargaining unit represented by the union.

The SD9 provides for minimum employment conditions in the retail trade: hours of work and minimum payment rates, provisions pertaining to emergency work, night shift allowance, overtime and work on public holidays and Sundays, paid leave of absence, sick leave, paid public holidays, cleaning of uniforms and the issue of overalls and protective clothing termination of the contract of employment and certificate of service. Prohibition of employment of persons under the age of 15 years and for female employees within four weeks prior to and six weeks after the birth of a baby unless certified fit by a medical practitioner or registered midwife, Annual bonus was paid to employees on maternity on the basis of the number of ordinary hours worked during the 12 months of employment multiplied by a factor of 0.0102. The VTE are entitled to maternity and/or paternity leave and are granted company loans (<http://junction/pnp/view/pnp/en/page62610>).

Prior to the introduction of the SD9 Act the casuals as they were then known enjoyed no privileges. These benefits changed the VTE employees approach towards their work, deterioration in employee service quality (employee-customer relationship). The employees were not placed in jobs relative to their skills, resulting in the employees becoming easily bored and there is a lack of specialised employee product knowledge and training. Absenteeism increased amongst VTE employees and management's slow and lack of response resulted in the gradual increase of absenteeism numbers. The result of increased absenteeism amongst employees contributes to longer working hours for non absent employees and increased workloads.

3.15.2 Basic Conditions of Employment Act (75 of 1997)

The Basic Conditions of Employment Act applies to all conditions that are not covered by the SD9, collective agreements, and individual employment contracts.

3.15.3 Employment Equity Act (55 of 1998)

The act looks at the manning of occupational positions with reference to previously disadvantaged population groups, blacks women and the disabled persons. This is to ensure the equitable representation of all population groups' at all occupational levels and in all occupational categories in the workplace. The purpose is to promote equal opportunities and fair treatment by eliminating unfair discrimination in any employment policy or practice and implementing affirmative action measures to redress imbalances of the past.

3.15.4 Skills Development Act (97 of 1998)

The act seeks to develop the skills of the country's workforce in order to improve productivity in the workplace and promote labour mobility, access to work exposure, entry into employment and opportunities for self-employment. The act also provides for investment in education and training within the framework of the national skills development strategy.

3.15.5 Compensation for Occupational Injuries and Diseases Act (130 of 1993)

This Act provides for compensation for disability or death caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment.

3.15.6 Unemployment Insurance Act (2 of 2002)

The Unemployment Insurance Act provides unemployment, maternity, adoption, illness, and death benefits for employees. Both the company and employees contribute one percent of basic earnings up to R11 622, 00 per month to the fund. Contributions amount to R116, 22 for earnings in excess of R11 622, 00 per month. Both the company and employees contribute.

3.15.7 Occupational Health and Safety Act (85 of 1993)

The Occupational Health and Safety Act provides for the health and safety of employees in the course of their employment and in connection with the use of machinery at work. In the next section aids in the workplace is discussed because it has a major impact on the organisation, customers and employees.

3.16 AIDS IN THE WORKPLACE

Research conducted by Arndt and Lewis (2000: 1), estimated that by the year 2015 more than 25% of the adult population in South Africa will be affected by HIV / AIDS causing major strain on the organizations and their employees. According to the authors HIV / AIDS is one of the major causes of absenteeism. HIV stands for human immunodeficiency virus that kills the people suffering from the disease. CD4 (also known as T-helper cells and is a lymphocyte count rates of disease progression by baseline CD4 cell count and viral load after initiating triple drug therapy) these cells help you fight off infection and diseases. HIV can be passed from person to person and also if someone with HIV infection has sex with or share drug injections with another person. HIV can also be passed from a mother to her baby when she is pregnant, or when she delivers the baby

or if she breast feed the baby. AIDS stands for acquired immunodeficiency syndrome and is the disease you get when HIV destroys the body's immune system. Normally the immune system assists in fighting of illness when the immune system fails, sickness and death prevails. (www.cdc.gov/hiv).

The first cases of AIDS were identified in the United States in 1981, but most likely existed here and other parts of the world for many years. In 1984 research by scientist proved that HIV causes AIDS (www.hivtest.org). According to the South African department of health's study in 2007, and based on its samples of 33488 women attending 1415 ante-natal clinics in South Africa, estimates that 28 per cent of pregnant women were living with HIV in 2007. The provinces that recorded the highest HIV rates were Kwa Zulu Natal, Mpumalanga and the Free State with the Northern and Western Cape recorded the lowest prevalence (www.AVERT.org).

What is evident from the various studies is that there is a severe epidemic of HIV / AIDS in South Africa. The epidemic affects all parts of the population, though women have a lower tolerance level and are more likely to be infected than men. Thousands of people are dying in South Africa causing the country to face tremendous challenges in the fields of HIV / AIDS education, prevention and care.

According to Greffen (2006:3), the HIV / AIDS growth in South Africa from 2004 to 2005 rose from 29.5 to 30.2 per cent which equates to a rise of less than 1 per cent for the timeframe. The author indicates that the Department of Health claimed that the epidemic had stabilised but the preceding years figures increased. Greffen questioned the results of the HIV / AIDS stability. The author indicated that three possibilities spring to mind: the number of people dying of AIDS has now increased to the point where its numbers of new infection increased. Secondly, the epidemic slows down because there are more people with HIV than at the start of the epidemic. Lastly, more

people are having safer sex or they have reduced their partners. Of these possible causes only the first possibility has clear empirical evidence to support it (Greffen, 2006: 3).

In addition, the author states that the mortality data indicates approximately the number of human death are increasing each year. The death certificates stipulate the causes of death. When a person dies a medical doctor has to indicate on a death certificate the cause of death and the age of the individuals. These death certificates indicate a massive increase of death as a result of tuberculosis/ pneumonia and diarrhoea and these deaths are typically not always associated with HIV / AIDS. Unfortunately doctors for various reasons do not usually indicate HIV /AIDS as a cause of death because of two possible reasons, people die without being tested for AIDS so doctors do not know the cause of patient's death. Secondly, the doctor might choose to protect the family from possible stigma by not writing HIV / AIDS as the cause of death. By the year 2015 the number is estimated to grow to more than ten million deaths from AIDS.

Gray (2005: 19), indicate that HIV / AIDS are the largest contributor to absenteeism in South Africa and the impact of on companies is devastating. The operational costs for companies are high though factors such as soaring health cost and increased death benefits. The cost of recruiting and training soars, due to the replacement of lost personnel..

According to UNAIDS (2004: 70), standard strategies adopted by companies in spreading the prevention message of HIV / AIDS represents a waste of resources, as they have failed in producing results. Lisk (2002: 6), state that HIV / AIDS epidemic has a large impact on the supply of human capital because the early loss of qualified employees will result in the decline of service quality and it becoming difficult to replace highly trained staff. The author indicated that AIDS related illness reduces productivity and increases labour costs. Nearly all industrial sectors have reported increases in absenteeism (due to illness and deaths), in labour turnover, increased cost

of recruitment, training and staff welfare. Absenteeism is usually the first indicator in a company that something is wrong and the work load of non effected staff rises (Lisk, 2002: 7).

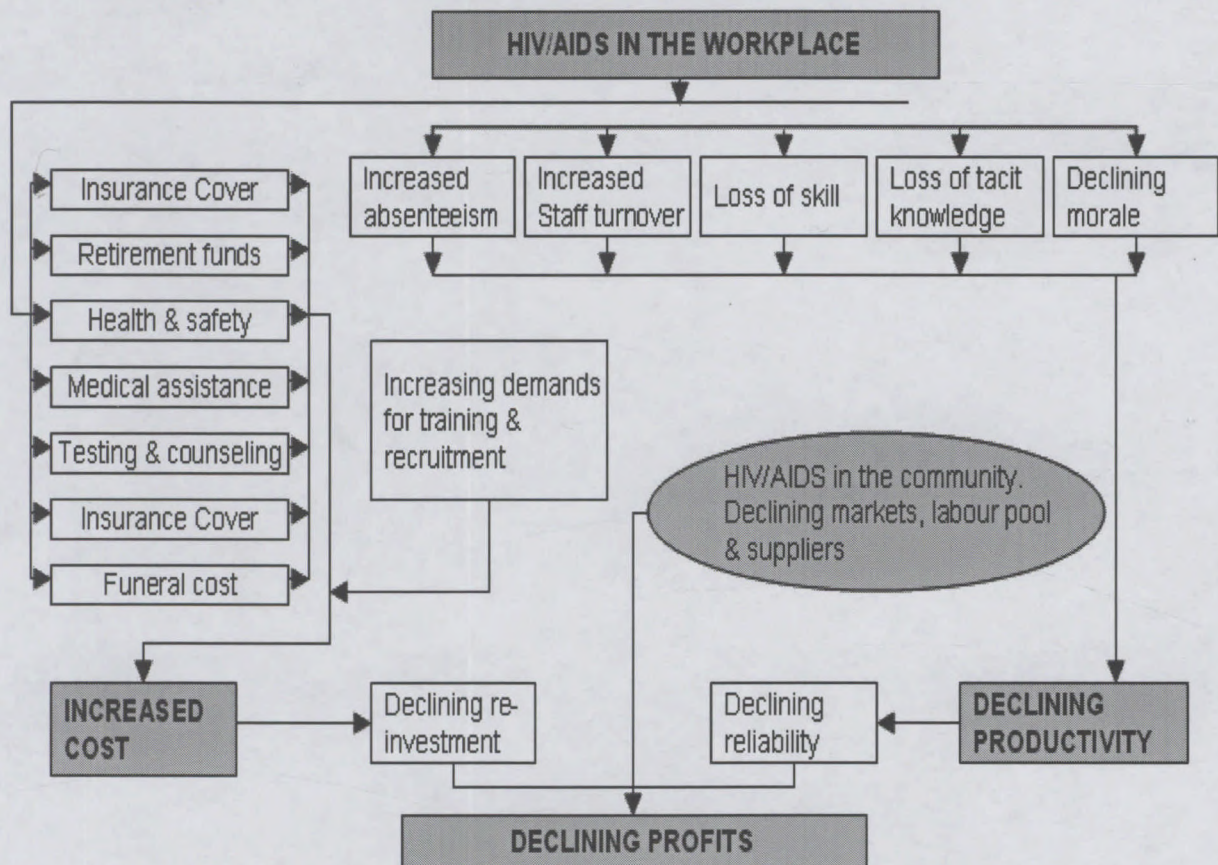
HIV / AIDS are a major cause for concern at the workplace because of the protectionism provided by the Government whereby the individual is not required to reveal their status. Most organisations in South Africa have various programmes in place informing and instructing their employees about the causes and effects of HIV / AIDS and providing them with assistance. Furthermore, with the stigma attached to HIV / AIDS employees are not readily coming forward for assistance and has created a major drain on the economy, leading to loss of turnovers, drop in productivity, high absenteeism levels in organisation, increased cost to the organisation in the form of training and recruitment of new staff and staff welfare. HIV / AIDS are becoming more of a threat to all businesses and society equally because it is one of the major factors that influence absenteeism amongst employees at the workplace. Thus, it was necessary to include HIV / AIDS in this study. One in ten South Africans now aged between twenty and forty years are expected to die of AIDS. By the year twenty ten (2010) around twenty five per cent of the adult population will be HIV positive which equates to more than six million people. The consequences of AIDS will directly affect productivity in the work place and the competitiveness of South Africa's economy in the global arena.

According to Greffen (2006: 3), the HIV / AIDS estimated figures was passed in 2005 (see p. 178). Productivity and profitability are directly and negatively impacted absenteeism results from sickness and funeral attendance. Decrease in employee morale could also be as a result of staff working increased hours to compensate for staff shortages due to illness and industrial relation issues (<http://www.hivaid.co.za>).

There is a duty incumbent upon society and its institutions to keep the next generation HIV /AIDS free (UNAIDS, 2004: 70). Parsee (2008: 107) stated that HIV/AIDS epidemic represents a new

type of apartheid because an entire generation of young and predominantly women may be deprived of knowledge, skills and experience and the fulfilment of a productive life in the economy and society. South Africa has one of the highest HIV / AIDS infection rates in the world. The impact of HIV / AIDS on an enterprise is indicated in a figure format below.

Figure 3.1: Impact of HIV/AIDS on an enterprise



Source: UNAIDS, *The business response to HIV/AIDS: Impact and lessons learned* (UNAIDS: 2000)

Figure 3.1 provides a schematic flow of the impact of HIV / AIDS on an enterprise.

3.17 CONCLUSION

The aim of this chapter was to analyse the different supermarkets participating in this empirical investigation. Firstly, in order to come to a better understanding of the participating stores, various theoretical perspectives were explored.

Secondly, this study obtained a clear understanding of the participating supermarkets history and their pillars supporting the organisations goals and objectives. Understanding the absenteeism and disciplinary policies and procedures adopted by the participating supermarkets. Finally, it has become apparent that absenteeism is an important criterion in supermarkets and to determine if the permanent or casual have a higher absenteeism percentage. It was important to conduct an analysis of the HIV / AIDS policies adapted by the participating supermarkets because of its contribution to absenteeism

Chapter 4 presents the research design and methodology for the empirical investigation that was used to explore the levels of absenteeism and employee status in the supermarket sector.

CHAPTER 4

RESEARCH METHODOLOGY AND DESIGN

4.1 INTRODUCTION

The primary objective of this chapter is to discuss the research methodology and design that were utilised to address the various sub-problems of this study. A critical determinant of the quality of any empirical study and the significance of its findings lie in the research design. From the preceding literature study it is evident that the problem of employee absenteeism working in the retail sector is sufficiently complex to warrant a carefully planned investigation. The complexity arises out of the degree in which a given condition or social reality, in this particular case, the levels of absenteeism and customer services is regarded problematic. Currently, there is great concern about the increasing absenteeism numbers amongst employees working at Pick n Pay supermarkets.

Secondary data sourced from Pick n Pay's Kronos time keeping system and Human Resources departmental records indicate a dramatic increase in employee absenteeism numbers. Multiple questions arise from these data, therefore this study endeavoured to establish if absenteeism is rife in supermarkets and which employment status has the higher numbers of this phenomenon and if it affects customer services. It is considered that these issues are of primary importance, not only for the companies involved but also for the retail industry, as it impacts directly on productivity and performance. Through informed observation, it is apparent that full time employees have a lower absenteeism profile than part time employees. This needed to be assessed empirically in order to be accepted as a factual reality in the industry, and not remain as speculative and observational inferences. In seeking answers to the research problem, the following sub problems were addressed in the study:

Main Research Question

- Does employment status influence absenteeism and customer services?

Sub Research Questions

- Which employee status has a higher impact on absenteeism and customer services?
- Is there a significant difference between the absenteeism rate of full time and casual employees?
- Is there a significant difference in the absenteeism rate of the casual employees (the control group) between 2009 and 2010?
- Is there a significant difference in how customers rate the employees from the various stores?
and
- Is there a significant difference between day time and evening employees with regards to the quality services that they render?

The objectives of this investigation endeavoured to establish the following:

- Determine which employment status has higher absenteeism figures;
- Implement new approaches to improve absenteeism and improve customer services;
- Minimised the effects of employee absenteeism on the organisation by identifying solutions to manage staff absenteeism;
- Understand the scale of employee absenteeism within supermarkets in the retail sector;
- Understand the causes and effects of absenteeism; and
- Highlight similarities and differences in absenteeism levels in absenteeism levels between supermarkets.

The main purpose of this case study is based on the levels of absenteeism and s in a retail organisation. In order to acquire knowledge about employee absenteeism status an in-depth enquiry

is required into certain defined areas. The insight to this in-depth enquiry was obtained through a process of qualitative and quantitative research processes. This case study takes into account that objectivity amongst customers exist and the data collected, involves perceptions of external phenomena and needs to be defined by triangulation.

The following concepts and terminology which relates to the research design and methodology in this case study is expressed as follows:

- **Mystery Shoppers:** they pose as normal customers, performing specific tasks such as purchasing a product, asking questions, registering complaints or behaving in a certain way and then providing a detail report about their shopping experiences to the company;
- **Focus Groups:** they are a group of 8 regular shoppers and two store managers brought together to discuss issues or questions under the guidance of a facilitator. It is a qualitative collection technique often used in marketing research. The composition of the group usually depends on the purpose of the study and in some cases acts as an independent variable;
- **Quantitative Data:** is data measured or identified on a numerical scale and the resulting information can be analysed by using statistical methods and can be displayed by using tables, charts, histograms and graphs;
- **Qualitative Data:** often involves intensive, long time observations in a natural setting, precise and detail recording of what happens in the setting. They are variables that yield non numeric responses;
- **Population:** is the collection of all the observations of a random variable under study;
- **Sample:** is a subset of a population on which observations are made and recorded; and
- **Surveys:** is a form of collecting data by using a sample of a population.

4.2 RESEARCH DESIGN

Brynard and Hanekom (2006: 2), stated that a basis for sound decision-making is the knowledge generated through a research process rather than intuition or gut-feel. This

applies to decision making in both the public and private sector. In addition the authors indicated that research or a scientific enquiry is a procedure used to obtain answers to questions and solve problems in an orderly manner, supported by scientific facts. Myers (2009: 12), argues that a researcher finds a topic or research question that relates to the body of knowledge in a particular field or discipline and proceeds to solve the equation by adopting a scientific approach.

According to Welman and Kruger (2001: 46), research design is a plan on how the researcher is going to conduct his study, selecting either a quantitative or qualitative paradigm to guide the process of defining, identifying, interpreting and assessing the research. An appropriate research design was developed for this study that is based on empirical as well as non-empirical research methodology.

Research Methodology can be related to a project which is structured around a start and end date. The project is segmented into work breakdown structures prioritising the important tasks and the timeframe to complete the given tasks. The research method of this study is directly linked to a quantitative and qualitative research approaches and the research design encompasses the non-empirical and empirical studies. The methodology utilised in this research is firmly in a quantitative and qualitative deductive design and is underpinned by a paradigm in employee absenteeism and customer services.

4.3. EMPIRICAL STUDY

The empirical investigations of this study were based on quantitative and qualitative research methodology, which included a customer service survey, focus groups discussions, mystery shoppers and a trial programme in the areas of study. A sustainable research design was followed in the event that this research is to contribute towards future research and complement the body of knowledge. The mentioned enquiries applications appear in the Appendices (A to P). The data

collection was conducted by the consumer service managers and they were assisted by the store managers and the researcher. A note of caution to the reader, although the collecting and analysing of the data was represented by two different stages, they may have close interrelations in practise and therefore new avenues may be opened during the interview. A pilot study of ten surveys was conducted to rectify all administrative errors experienced during the test run.

In the ten test-run customer service surveys, the customers had to enter their name, sex, age, residence, type of employment, time of interview and their telephone number in the social dynamic section of the questionnaire. The customers completing the pilot study surveys objected towards this line of questioning because they thought that it was too personal and required too much personal information. Thus with this new understanding adjustments were made to the surveys omitting the customer objections in the survey.

4.4 SAMPLING PROCEDURES

There are three different types of sampling strategies available to the researcher and they are as follows:

- Random;
- Systematic; and
- Stratified.

The advantages of the random sampling methods are as follows:

- Least biased of all sampling techniques, there is no subjectivity - each member of the total population has an equal chance of being selected;
- Can be used with large sample populations; and
- Avoids bias.

The disadvantages of the random sampling methods are as follows:

- Can lead to poor representation of the overall parent population or area if large areas are not hit by the random numbers generated; and
- There may be practical constraints in terms of time available and access to certain parts of the study area.

Welman, *et al.* (2005: 55), concluded that sample selection is very important and needs to be representative in order for the research results to be generalisable. The authors indicated that the samples must have the exact properties as the population from which it is drawn. According to de Vos, *et al.* (2005: 196), researchers should adopt a random sampling method as it will ensure an optimal chance of drawing a sample which is representative of the population from which it is drawn. The authors define random sampling as a method of drawing a portion of a population so that each member of the population has an opportunity to be selected to participate in the study. Welman, *et al.* (2005: 59), describes random variable sampling as the most attractive type of probable sampling.

First Customer Surveys Random Sampling

- The random sampling method was selected for this study and the samples were selected on a purely random basis from the customers shopping at the participating supermarkets;
- A simple random technique was used where each observation in the entire population had an equal chance of being selected. The advantage of random sampling is that it enables the researcher to identify which samples deviate in differing degrees from the corresponding population values;
- A random sample of $n = 500$ customers were selected to answer the first survey questionnaires from the five participating supermarkets;

- The questionnaire adopted a 2 point Likert scale (agree / disagree);
- The subjects were randomly selected and their profiles included gender, age, ethnicity and education;
- Every attempt was made to equalise the number of surveys that were conducted in the morning and afternoon.
- The questions were based on services rendered by the employees of the participating supermarkets.
- The gender composition of the samples was 145 male and 355 female respondents.

Second Customer Surveys Random Sampling

- In the second customer service survey there were 150 respondents;
- The 2nd customer service surveys was conducted on a Saturday between 10h00 and 12h00;
- The questionnaire was based on the five point Likert scale with (1) representing strongly agree; (2) agree; (3) neutral;(4) disagree and (5) strongly disagree.
- The gender composition of the samples was 45 male and 105 female respondents.

The possible reason was a higher response rate by women might be because of the African culture set up in South Africa where the women is expected to stay at home and prepare the meals and do all the purchases. Another reason could be that gender discrimination in employment might play a role why there is a higher number of women shopping. The enquiries were closely linked to the ability of the instrument to measure comparable results arising from the five participating stores. Furthermore, the customer service surveys, mystery shoppers, focus groups and trial programme enquiries could assist in creating a productive and profitable environment and also providing a competitive advantage over its competitors.

- Note: Pick n Pay is Company 1; and Spar is Company 2.

Table 4.1 Company and Store Numbers

Store	Company Number	Store Number
Mountain Mill	1	1
Somerset Mall	1	2
Pinelands	1	3
Elite Spar	2	4
Trial Store	1	5

Table 4.1 indicates the participating stores and the company they are affiliated to and their store numbers.

- Note: This information is of a confidential nature.

4.4.1 Population and Sampling Design

According to Statistic South Africa the total number of persons employed in the retail sector in the country at the end of June 2009 was 593,370. The retail division (supermarket) employee numbers were categorised as follows:

Table 4.2 Number and gender composition of employees working in South Africa supermarkets

	Female	Male
Permanent Employees	64295	55996
Temporary Employees	6360	7871
Casual Employees	4621	3417
Total	75276	67284

Source: Statistics South Africa

Table 4.2 indicates the number and gender composition and the different categories of employees working in South African supermarkets. The total number of employees working in South African supermarkets is 142,560. In addition, the table indicate that the supermarkets only employ 24 per cent of the total employees in the retail sector. The total number of employees and their gender composition working in the participating supermarkets is listed below.

Table 4.3 Number and gender composition of employees working in the participating supermarkets

	Pick n Pay Family		Elite Super Spar		Pick n Pay Western Cape	
	Male	Female	Male	Female	Male	Female
Employees						
Full time employees	30	70	44	76	1236	1820
Casual employees	10	25	16	36	1572	2812
Total	40	95	60	112	2808	4632

Source: Participating stores Human Resources Departments

Table 4.3 indicates the number and gender composition of employees working in the participating supermarkets. The statistics in the table indicates the total number of employees working at the trial store (PnP Atlantis) is 135, Elite Super Spar 172 and Pick n Pay corporate supermarkets in the Western Cape is 7440. The trial store employees represent only 0.094 per cent of the total number of employees working in the South African supermarkets.

One hundred surveys were conducted by each of the consumer service managers and were assisted by the store managers from each of the five participating supermarkets, creating a total sample size of 500 customers. Every attempt was made to equalise the number of surveys that were conducted in the morning and afternoon to get a fair reflection from the customers about the

permanent and casuals (VTE) employees' service levels. The samples were selected randomly with forty per cent men and sixty per cent women participated in the surveys. The subjects were randomly selected and their profiles included gender, age, ethnicity and education. The respondents comprised 355 women with a mean age of 35 years and 145 men with a mean age of 33 years. The mean age of the respondents were randomly determined by the consumer services managers

4.5 CUSTOMER SERVICE SURVEYS (ENQUIRY 1)

4.5.1 Introduction

According to Lamb, Hair, McDaniel, Boshoff, and Terblance (2008:116), quantitative methods typically uses numbers, therefore, may involve the researcher as an impartial objective observer, focusing on the causes and effects of the data. Quantitative methods require a hypothesis and the drawback is it forces the respondents into categories and therefore, they cannot go into much depth about subjects and issues. Zeithaml and Bitner (2000: 111), suggest that quantitative data collection is designed to describe the nature, attitudes or behaviour of customers empirically and to test specific hypothesis that service marketers wants to examine. Yin (1994: 3), suggested that a case study is an empirical enquiry, that is utilised to investigate a phenomenon within its real-life context and in which multiple sources of evidence are used.

Within the context of this investigation a quantitative approach allows the organisation to be viewed in its entirety and allows the researcher to get close to the customers and to acquire their thoughts and perceptions about the services rendered by the employees. The researcher needed to develop an understanding about the existing resources within the environment of the participating supermarkets and then analyse this data arising from a cross section of customers.

De Vos, Strydom, Fouche and Delport. (2005: 166), indicated that the basic objective of an enquiry

is to secure facts and opinions about a particular phenomenon from informed respondents about specific subjects under investigation. The authors suggested that the surveys are likely to be the most frequently used research instrument in use. Gillham, (2000:66), stated that some key principles should guide the design of any enquiry before procedures are adopted for refining it.

Questionnaires are probably the most generally used quantitative measuring tool of all. The design of this enquiry is important to ensure that the correct research questions are addressed and appropriate data is collected for statistical analysis. In addition, it is used to obtain the general customers experiences about the services rendered by the employees.

According to the New Dictionary of Social Work (1995: 51), a questionnaire can be summarised as a "set of questions on a form, this is completed by a respondent in respect of a research project." The questions can be open ended (e.g. do you have any comments on the matter) or closed ended with an opinion to answer "Yes or No". Alternatively, the surveys may contain statements to which respondents are requested to react. The basic objective of such surveys is to obtain facts and opinions about a phenomenon from informed people about a particular matter. The surveys of this study contained 8 questions. The respondents were requested to tick the appropriate agree or disagree box to answer the question.

4.5.2 Motivation for the Design of the Customer Service Survey

As indicated the aim of the research was to ascertain the levels of absenteeism and customer services in a retail organisation. Another important criterion was to understand what the customers thought processes were of the employee's services levels. The objectives were to design a survey that is aligned to the research questions that would assist in identifying the employee service levels, and with a view to developing more effective solutions for managing the effects of absenteeism on customer services. The surveys were designed, to learn more about employee service levels and how absenteeism affects customer services. In Chapter 2, various authors have indicated that the

influences of absenteeism may have an effect on customer services in the retail industry. In light of the literature reviewed, relevant empirical answers were sought to answer the research questions through the application of two customer survey. The research questions and sub problems are listed below:

Main Research Problem

- Does employment status influence absenteeism and customer services?

Sub Research Problems

- Which employee status has a higher impact on absenteeism and customer services?
- Is there a difference between full time and casual absenteeism
- /Is there a difference between casual 2009 and 2010 figures?
- Is there a difference how customers rate the employees from the various stores? and
- Is there a difference between day time and evening employees in regards to services?

4.5.3 The Design of the Customer Service Survey

According to Welman, Kruger and Mitchell (2005: 174), the survey is a data collecting instrument and is used in interview situations. In addition, the authors indicated that the decision to utilise a survey should be as a result of careful consideration of all possible research techniques.

The survey design process should be guided by the theoretical concepts and variables involved as well as the relationships that are being investigated. The researcher should review as many previous research studies on the topic as possible when designing a survey.

Struwig and Stead (2001: 89), suggest that the following guidelines should be followed in the development of a research survey:

- Instructions should be clear and concise;
- Questions should be divided into distinct sections in accordance with the subjects covered;

- Easier questions should be posed first;
- Advance from general to specific questions;
- Pose personal or sensitive questions at the end;
- Avoid the use of jargon or technical terms;
- Consider using the respondents' vocabulary, and
- Keep the questionnaire as short as possible.

Welman. *et al.* (2005: 175), provides some suggestions regarding survey development;

- The choice between open-ended and close-ended questions should be made carefully;
- Consider the respondents' literacy levels;
- Beware of offending the respondents;
- Be brief and focused;
- Maintain neutrality;
- Use a specific sequence;
- Questions should be applicable to all respondents; and
- Attend to the layout of the questions.

Struwig and Stead (2001: 95), provides suggestions regarding the content and formulation of the questions in the survey. Respondents should be able to accurately interpret each question without influencing their answers. Ethridge (2004: 152), cautions that the questions in the survey should be in value-free language, orientated in obtaining factual information.

A set of questions were developed using the Cronbach's Alpha to test the reliability of the questions. The Likert 2 and 5 point scale were used in the surveys. The following criteria were also used to develop the questions:

- Questions developed to find quick answers to common questions;
- Closed ended questions were developed;

- The questions avoided over sensitivity; and
- The questions developed to save time.

The advantages of close ended questions are as follows:

- It guide respondents to answer questions quickly;
- Sensitivity of respondents are guarded; and
- Answer specific questions only.

The respondents in this study were asked to tick the most appropriate ratings pertaining to the questions. The first surveys were conducted at different timeframes in the five participating supermarkets over a three day period. The estimated time for the customer to complete the survey was between twenty and thirty minutes and English medium was the official language used in the surveys. The first group of surveys were conducted in the participating stores between 10h00 and 15h00 and the second surveys were conducted between 16h00 and 19h00. The duration of the interviews were determined by the respondents answering the surveys time constraints. The survey (attached as Annexure F) is divided into eight questions requiring agree or disagree response from the respondents about the employee's service delivery.

4.5.4 Application of the Customer Service Surveys

The surveys for this study were conducted at stores with high absenteeism figures and were administered at different timeframes when the permanents and casuals (VTE) employees were on duty. The consumer managers from the participating stores were assisted by the store managers administered the surveys. The sample size of the 1st survey was $N = 500$ customers shopping at the five participating supermarket and every attempt was made to equalise the number of surveys conducted in the morning and afternoon. The surveys were conducted at different timeframes over a five day period with the first interviews were conducted when the permanent employees were on

duty between 10h00 and 15h00. The second interviews were conducted when the casual (VTE) employees were on duty, between 16h00 and 19h00. The customers were given the choice to select if his or her response will be open or close ended questions. The survey was conducted in the five participating supermarkets in the Western Cape region. Secondary data about absenteeism was provided by the Human Resources departments from the Pick n Pay stores were instrumental in selecting the stores with the highest absenteeism figures for the application of the surveys. The Pick n Pay Atlantis family store and Elite Super Spar were invited to the study. Prior to the commencement of the survey the following comments and instructions were read to the respondents. The subjects were assured that their anonymity will be secure and they were requested to answer the questions as truthfully as possible. They were informed that the questions may be answered by simply ticking the relevant boxes. The respondents were requested not to tick more than one box per question; and after completing the questionnaire to kindly hand it back to the person who issued it to them.

The sets of surveys were conducted during different timeframes over a three day period. The rationale behind this approach was to differentiate which set of employee's service deliverance has a greater impact on s rendered by the participating supermarket employees. The service areas are the main composite of a supermarket and are deemed to be the most appropriate to test customers reaction about services provided by the employees and to determine if employee absenteeism does affect customer services. The service areas are a high contact zone between customers and employees.

4.5.5 Pilot Study

Thomas, Nelson and Silverman (2005: 69), stated that a pilot study verifies the validity of the tests and treatments for the study of using appropriate participants. According to Babbie and Mouton, (2001: 244), pre-testing the surveys (conducting a pilot study) is an important facet though, sadly

neglected phase in questionnaire construction. It helps to identify errors and guide the researcher in ironing out difficulties not foreseen when constructing the questions. Feedback from the pilot studies were used to construct the final survey (see Annexure F). According to the ten respondents the details required in the test-run surveys were too personal and they were not prepared to reveal this information. The social dynamic section was changed to sex of respondent, age, income bracket and frequency of visit to the participating supermarkets. While the purpose of a pilot study is to establish the validity of a measuring instrument, results from such a study may be included in the main report should major problems with reliability occur. Both criteria were satisfied by the pilot study, since it established the validity and the reliability of the survey. It must be stressed that the results from the pilot study was not used and care was taken to ensure that generalisations were not made of a small sample.

4.5.6 Data Analysis of Customer Service Surveys

Analysis is the process of capturing and recording of trends and history of a product or a situation. Analysis in this study allows the researcher to become immersed in the problem and to learn more about the employee absenteeism and factors that effect customer services. The changing retail environment constantly presents retailers with opportunities and threats and the retailer need to responds to these challenges to determine the success of the organisation in the retail environment. One of the most important components of the market environment is its consumers; they are the determining factor in the success of a retailer.

A market has two sides; a demand and supply side. Competition amongst suppliers strives to satisfy consumer demand. Consumers are the most uncontrollable variable with which supermarkets have to contend with to satisfy their supply side. The success of supermarkets depends on their choice of marketing communication mix to motivate the consumers to do their repeat shopping with them.

Two sets of statistical test were conducted to analyse the data emerging from the five participating supermarkets. The chi-square provides a statistical test of significance of the discrepancy between the observed and the expected results. The test of significance implies the confidence one has in the likely hood that a statistic occurring again if the study was repeated. In the chi-square tests, the emphasis is on establishing whether a random variable follows certain patterns of outcomes in the population. The chi-square was used to test for proportional differences and for independence and the t – test also tested for proportional differences. The chi- square statistical analysis is a measure commonly utilised to test hypothesis on results of a random variable in a population. The chi-squared was used to test for proportional differences; the following hypotheses were tested:

Hypothesis 1: tests the difference between the stores day time and evening employees;

Hypothesis 2: tests the difference in how customers rate the various store employees for service levels;

The new contributions to the body of knowledge can be used in theory building that is relevant to this particular case study, but can also be applied to various other situations. In the next section the focus groups discussions and mystery shoppers are discussed.

4.6 FOCUS GROUPS (ENQUIRY 2)

4.6.1 Introduction

Campbell and Russo (1999: 141), indicated that qualitative data about social settings can be used in better understanding patterns in quantitative data analysis. With triangulation a researcher can get a clear picture of the social reality being studied by viewing it from different perspectives. In this study multiple methods called triangulation was used to research the problem. Each method will produce some liabilities to a specific research application and all will benefit and contribute to the body of knowledge. The difference between quantitative and qualitative is not always sharp. Therefore, one form of data can be converted to the other, when the frequency of particular words or phrases in a text is counted or when the time that elapses between observed behaviour is measured (Schutt, 2004: 17). In addition, Schutt stated that surveys collect primary quantitative data may also include questions requesting written responses and these could be used in qualitative textual analysis. The qualitative research section comprised of the following enquiries, focus groups discussions and mystery shoppers.

The focus group discussions can be described as purposive discussion of a specific topic or related topics taking place between six and ten individuals with a similar background and common interest. In this open conversation each participant may make comments, ask questions of each other or respond to comments by others including the researcher or facilitator. This type of interaction mainly consists of verbal and non verbal communication and an interplay of perceptions and opinions that will stimulate discussions without changing the ideas and opinions of participating individuals (Flick, 2002: 114). The enquiry can be utilised to identify if there are any factors that decrease the quality of service delivery. It can further be used to question the role of absenteeism plays in decreasing the quality of service delivery.

According to Lamb *et al.* (2000: 112), focus groups are a type of person interviewing. The members of the group are normally recruited by random telephone screening. The group is made up of between seven and ten (7 – 10) members and the qualifying members of the group are usually offered an incentive to participate in the group discussions. Their meeting place might represent a living room or a boardroom and the features for the meeting may include recording equipment. It is also likely to have a viewing room with a one way mirror so that interested parties may watch the sessions. During the session a facilitator / moderator leads the group discussions by asking questions and recording the answers. Focus groups are more than just question and answers interviews because interaction between members during the meetings is essential to the success of the research.

4.6.2 Motivation for the use of Focus Group Discussions

Focus group's interviews are designed to focus on a certain aspect of a business problem. Although the group members may not reach consensus they are focussed and they have clear agendas towards the problem. Their topic of discussions are structured and sequenced in an understandable and logical way by the facilitator. The facilitator tries to activate spontaneous discussions of the phenomena experienced by the participants (Jobber and Fahy 2009: 92). In this study, emphasis was placed on finding out as much as possible about the participants experience and feelings relating to the service levels of the employees working in the participating supermarkets.

4.6.3 The Process of Focus Group Discussions

As with unstructured interviews with individuals, focus group discussions can be a useful exploratory steps structured towards extracting employee behavioural data and experiences from the focus groups under different research phases. Although many decisions are taken in the course of the

groups interviews, certain activities occur at particular stages. The facilitator needs to be objective and knowledgeable on the issue on hand and skilled in group dynamics. Thus, a store manager with the above mentioned credentials was chosen from a different Pick n Pay operating unit to facilitate the proceedings. The focus group meetings were held in the participating stores committee rooms. The meetings were held in pleasant surroundings and refreshments were served.

According to Jobber and Fahy (2009: 91), it is important to consider the location when planning this type of interviews because location may influence the dynamics of focus group discussions. The location must be free from disruptions such as, background music or the humming of ventilation systems, which may disrupt or cause distortion of the tape recording. It is necessary to have a room with chairs that can be arranged so the participants face each other. The facilitator should encourage all participants to express themselves freely while the facilitator says less and should take care not to fall into the trap of conducting individual interviews with each member of the group.

In addition the authors stated the following steps are typical of conducting a focus group discussion: The participants are normally seated around a table to ensure maximum opportunity for eye contact with the facilitator as well as other participants. To enhance rapport amongst all the participants, name tags are on the table in front of the participants. Focus group discussions are normally taped recorded and notes are taken by the facilitator. Special care must be taken to ensure that notes taking do not interfere with the spontaneous nature of the group discussions. Participants should be informed at the outset that the discussion will be taped recorded.

The focus groups were comprised of two management members working in the store, eight customers who regularly shop in the store and a store manager from a different store was the facilitator of the group. The objective of the focus groups was to stimulate discussion through group interaction about s rendered by employees and management working in the five participating stores. The focus groups facilitators were handed a a list of questions based on the following

categories, technical skills, social skills, motivation, decision making authority, customer satisfaction and emotional commitment to discuss in their meetings. The focus groups questions and responses are listed in Annexure A to E in the appendices. The management participating in the focus group panels were questioned about their thought processes about absenteeism. In the next section the mystery shoppers (enquiry 3) are discussed.

4.7 MYSTERY SHOPPERS (ENQUIRY 3)

Mystery shoppers are hired personal posing as customer's measuring the quality of services or gather specific information about products and services rendered by the stores employees. They evaluate employee services levels by purchasing a product, asking questions, registering complaints or behaving as a customer would and forward their reports to management after their shopping mission. Utilising mystery shoppers, the perceptions of customer services were investigated. It is further used as a qualitative approach to determine the existence of any issues that impacts the quality of service delivery.

According to Lamb *et al.* (2008: 139), "mystery shopping was standard practise in the early 1940's and was used to measure employee integrity." The mystery shopping assessment tools included questionnaires, audio and video recordings while gathering information. The mystery shopper's pose as regular shopper's evaluate the supermarket employee's services levels. They may be required to take photographs or return parcels during their visits and then submit their reports

about the service levels of the employees to the company. The auditing company management reviews and analyses this information and compiles a reports for the client company. There are advantages and disadvantages for adopting mystery shoppers:

4.7.1 Advantages of Mystery Shoppers

The advantages of the mystery shoppers are that the employees are generally not aware of them being observed and therefore, behave in a natural way. This helps in reducing the likelihood of gathering biased data.

4.7.2 Disadvantages of Mystery Shoppers

It is a passive form of data collection offering no opportunity to probe for reasons to further investigate the employee's behaviour. The mystery shoppers for the present study took place at the five participating supermarkets. They conducted their investigations at different times when the permanent and casual employees were on duty at the five participating stores. The mystery shoppers were equipped with the mystery shopper's scorecard as indicated (in Annexure G to P) in the appendices.

4.7.3 Motivation for the use of Mystery Shoppers

Mystery shopping is a data collection technique, researchers posing as customers interact with the employees observing the various facets of their service levels. The mystery shopper observes how employees behave and records this information for future references. The motivation to use mystery shoppers is that it is one enquiry in a series of enquiries because there will be no intentional or deliberate misrepresentation of the research results. Therefore an adequate description of different methodology is used in this study. The identity of the mystery shopper's sponsor and research information will be held in confidence at all times and will not be used for personal gain. The mystery shoppers company has promised not to undertake marketing studies for competitors when such studies would jeopardise the confidential nature of client – agency relationship; and the reports will be fair and unbiased.

4.7.4 The Mystery Shoppers Process

Two mystery shoppers' surveys were conducted in each of the five participating supermarkets. The first mystery shoppers' survey was conducted on the 1st March and the second survey was conducted on the 11th May 2010 at 12h00 and 16h00 respectively. Five mystery shoppers were hired to conduct an analysis of the interaction between themselves and the employees of the five participating supermarkets. The mystery shoppers conducting the surveys were mandated to pay careful attention to various pertinent points regarding s. For the pertinent points and verbatim responses from the mystery shoppers see (Annexure H to Q) in the appendices. The 3 studies namely customer services survey, focus groups and mystery shoppers were conducted to ascertain the levels of satisfaction / dissatisfaction of the services rendered by the retail store employees. In the customer service surveys it was found that customers agree with only 2 of the 8 questions. While the focus groups and mystery shoppers, they were not pleased with the service levels. This customer dissatisfaction could be attributed to a variety of reasons which include employee product knowledge and service levels. Long queues and lack of visible of staff may be attributed to staff shortages impacted by absenteeism. In the next section the trial programme is discussed.

4.8 TRIAL PROGRAMME

Brynard and Hanekom (2006: 50), suggested that a preliminary investigation or reconnaissance of the intended area of research, involving the people who will be affected, is necessary in order to determine whether or not the purpose of the research is clear. In addition, the authors stated that the trial programme could assist in determining whether the topic is researchable and the data collection methods are appropriate. Furthermore they stated that the ultimate way to test a trial programme is to put it into a full blown test situation.

The Pick n Pay Atlantis Family supermarket was selected to conduct the trial programme for this study on grounds of having the highest absenteeism numbers amongst the participating stores. The aim of this study was to determine the difference in absenteeism between permanent and casual (VTE) workers and find solutions to the absenteeism problem in the trial store. Based on regular consultation with management, it appears that absenteeism amongst casual workers is rapidly increasing. Secondary data obtained from the stores human resources department indicate that the store had very high employee absenteeism figures from January to June 2009. Pick n Pay Atlantis absenteeism numbers (2009-2010) for permanent and casuals are listed in Table 3.6.

Table 4.4 Pick n Pay Atlantis Family Store Permanent and Casual Absenteeism % (2009)

Time frame	2009					
	January 2009	February 2009	March 2009	April 2009	May 2009	June 2009
Permanent average absent percentage	9	12	25	7	8	11
Casual average absent percentage	14	19	34	14	13	17
Difference average %	5	7	9	7	5	6

Source: (Pick 'n Pay: Atlantis 2009)

Table 4.4 indicates the different category employee's absenteeism percentages from January to June 2009. The data in the table indicate that the casuals (VTE) employees has the higher absenteeism per cent between January and June 2009. The difference between the permanent and casuals indicated that the casuals had a higher absenteeism per cent ranging between 5 and 9 per cent for the same period. The management of Pick n Pay Atlantis were presented with the stores absenteeism per cent; they had no hesitation in agreeing to use their store to conduct the trial

programme. The study was conducted during a six month trial period. The timeframe was chosen to allow minimal disruption to the business. As indicated in Table 4.3 casual employees (VTE) have a high absenteeism per cent, a possible cause could be that these employees are allocated the late shift. This shift is not pleasant to work for the teenagers as it disrupt their social lives. The permanent employee's work a regular shift and they have the opportunity to work overtime should any of the casuals (VTE) not report for duty. All employees were informed about the study and were requested to register their approval by signing consent form. The aim of the study was to convert all casual employees (VTE) to permanent status for the probation period of six months. During this period all employees were put into two groups (group1 and group 2) and each group comprised of permanent and casual employees. The casual employees were named probational permanents during the trial period. The employees were allotted one weeks early and late shifts on a rotational system. All employees had the opportunity to have a better social life and the opportunity to work overtime in the event of employee absenteeism. The exercise of converting all casuals to full time employees for a period of six months had the following objectives:

- To determine the causes of absenteeism and which employment status has higher absent numbers; and
- To determine whether a reduction in employee absenteeism to below 3 per cent could be achieved consistently during the trial period.

The absenteeism figures for the trial store from January to June 2009 and 2010 were compared and indications were that there was a decrease in absenteeism in 2010 (see Figure 5.23). The average absenteeism per cent for 2009 (January to June) was recorded at 30 per cent, while the average for 2010 (January to June) was recorded at 17 per cent. There was a decrease of 13 per cent in the average absenteeism figures during the trial programme. Two sets of hypotheses were tested. The trial store investigation focused on determining whether absenteeism was more prevalent amongst casuals or permanent employees. The casual employees were placed on temporary permanent positions during the 6 months trial period with all the benefits afforded to the

permanent employees. During this period with all the employees on even status and having created a platform for both sets employees to ascertain which group dominated absenteeism. It was significant to note that there was still a difference between the two groups.

4.9 DEVELOPMENT OF THE RESEARCH MODEL

Listed below is a schematic presentation of the research process adopted by this study that could be formulated into a normative model.

F 4.1 The Research Process (developed by the researcher)

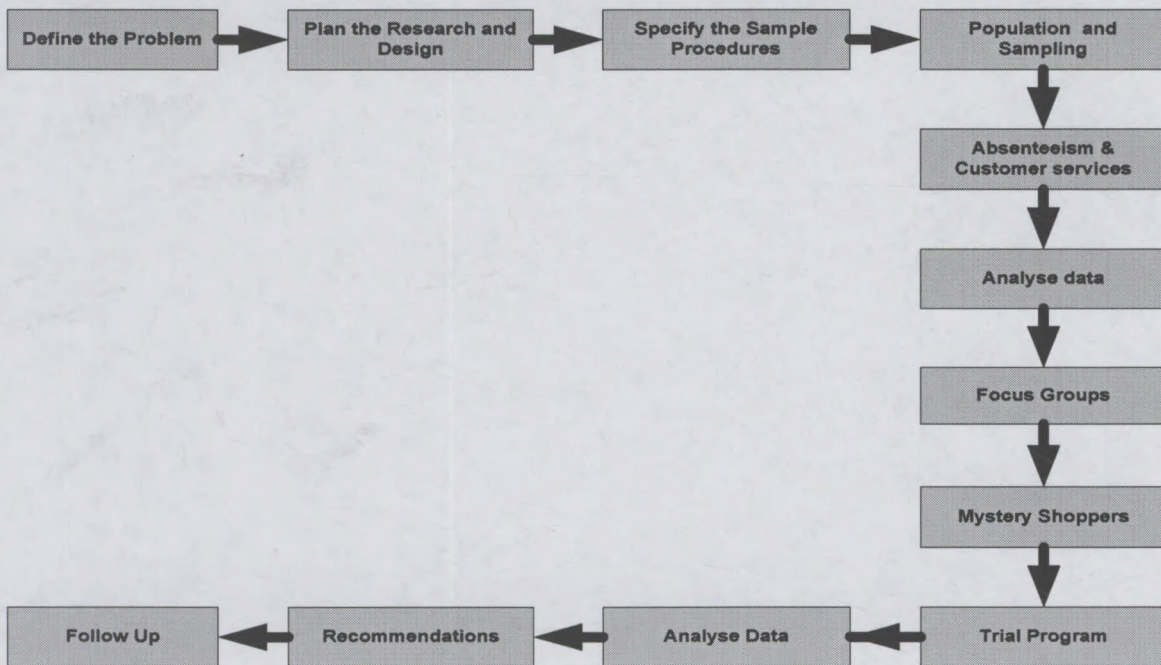


Figure 4.1 presents the schematic presentation of the research process utilised in this study. Recommendations were presented to management to assist in reducing employee absenteeism and improve customer services.

4.10 FOLLOW UP

Research is simply a way of solving problems. Questions are raised and methods are devised to answer them. Learning from achievements and mistakes, and improving the research methodology are perquisite to sustainable empirical studies. Follow ups can provide an invaluable source of direction for the study and should highlight clear and simple recommendations of the outcome. Adopting the work break down structures (WBS) which is a tool used to subdivide the scope of the research into manageable work packages can be used to evaluate and follow up effectively on a study. This study is divided into several divisions, with the objectives of the divisions is to provide the reader with a logical presentation of the research. Once the trial programme is implemented, its effectiveness must be evaluated by follow up programmes which provides a mechanism for monitoring the results of the research objectives. The management of Atlantis Supermarket was informed that a follow up would be conducted during and after the trial programme to conduct an evaluation of the data.

4.11 CONCLUSION

The researcher has undertaken an empirical study which is grounded in a qualitative and quantitative, deductive paradigm and is underpinned by an approach based on which employee status has higher absenteeism at the participating supermarkets. The research design is a plan on how the researcher conducted the study and the focus on the end result consisted of empirical and non empirical studies which placed the outcome of the study at the centre of the organisations reality. The research methodology focused on the research process and the kinds of tools and procedures that were used. A work breakdown structure on the research design and methodology is provided in this chapter. Four enquiries were conducted in this study to substantiate the findings.

The first enquiry was the customer service surveys, in which 100 respondents from each of the five participating stores totalling 500 completed the first survey and 150 respondents completed the second survey. Customers completing the surveys were not first time shoppers and this approach added an extra dimension to the survey because of their previous encounters and experiences during their shopping adventures. The customer service survey was chosen because it was the most appropriate survey to conduct for this empirical study.

The second enquiry conducted was the focus group discussions. The composition of the focus group usually depends on the purpose of the study and in some cases acts as an independent variable. The focus groups in this study were comprised of eight customers who usually shop at the store and two senior managers from the store; they were mandated to discuss issues and questions under the guidance of a facilitator. It is a qualitative collection technique often used in marketing research.

The third enquiry conducted in this study was mystery shoppers. Five mystery shoppers were employed to pose as normal customers, they were mandated to perform specific task such as purchasing a product, asking questions, registering complaints or behaving in a certain way, then providing a detail report about their experiences to the company.

The fourth enquiry was trial programme which was implemented at Pick n Pay Atlantis Family supermarket. The objective of the study converted all casual employees to permanent status for a probation period of six months. During this period all employees had to work two weeks early and late shift per month on a rotational system. This criterion afforded all the employees an opportunity to have a better social life and equal opportunity to work overtime. The aim of this approach was to reduce absenteeism and thereby, improve customer services. The customer services surveys, focus groups, mystery shoppers, and trial programme, set out to address the two important research questions of the study:

- To determine the causes of absenteeism and which employment status has higher absent figures; and
- What new procedures can be adopted to improve employee absenteeism?

In Chapter five the results and analysis of the research is discussed and the different approaches adopted to find solutions to the current research are discussed

CHAPTER 5

PRESENTATION AND ANALYSIS OF DATA

5.1 INTRODUCTION

In the previous chapter the research design and methodology were presented. This chapter contains the presentation, analysis and interpretation of the results of the empirical research. The section on the discussion of the results is reserved for the next chapter. The goal of the methodology is to describe the exact steps that were taken to conduct this study. The methodology was divided into four subsections.

5.1.1 First Enquiry

The first subsection was the customer service survey. Two survey's containing eight questions was designed to gather empirical data. The first survey was one hundred questionnaires administered in each of the five participating stores totalling five hundred surveys. The second was 150 surveys. The purpose of the questionnaires tested how the customer rate the employee service levels. The questions related to customer opinions about employee services and if fewer staff numbers on duty affected the service levels. Fewer employee numbers could be as a result of employee absenteeism or sick leave. The following hypothesis was tested:

Hypothesis 1 tested the difference between the stores daytime and evening employees; and Hypothesis 2 tested the difference in how the customers rate the various store employees for service levels

5.1.2 Second Enquiry

The second enquiry conducted was a qualitative survey called focus group discussions for each of the participating store. This group comprised of eight carefully selected customers who regularly shop at the supermarket and two members of management from the operating unit. The main objective of this enquiry was to ascertain the participant's responses regarding services from the different employment categories. A manager from a different operating unit facilitated the proceedings. Management participating in the focus groups were questioned about their thoughts and processes followed about the effects and causes of absenteeism at their work place.

5.1.3 Third Enquiry

The third enquiry conducted was the mystery shoppers. The mystery shoppers posed as potential shoppers and reported on strong and weak employee points experienced during their shopping trips to the supermarket. Five mystery shoppers were hired to conduct studies in the five participating stores about the interaction between the customers and employees. They were handed a questionnaire testing various aspects of customer and employee interaction. The enquiries were conducted in the five participating stores only. Two sets of sets of enquiries were conducted, one in the morning when the permanent employees were on duty and the other in the afternoon when the casuals (VTE) were on duty.

5.1.4 Fourth Enquiry

The fourth enquiry conducted was a trial programme. The trial store was selected from the participating stores with the highest absenteeism figures. Atlantis family store was selected as the trial store. The objective was to determine if there was a difference between permanent and casual employee absenteeism and if there was a difference between 2009 and 2010 employee absenteeism figures see Table 5.23 page 268.

One of the requirements for the trial programme was to convert all casuals to temporary permanent employees for a period of six months. Two sets of hypotheses were tested. The first hypothesis tested was as follows:

- 1) H_0 : There is no difference between permanent and casual (VTE) employees absenteeism;
and
- 2) H_a : There is a difference between permanent and casual (VTE) employee absenteeism.

The second hypothesis tested was as follows:

- 1) H_0 : There is no difference in absenteeism between 2009 and 2010; and
- 2) H_a : There is a significant difference in absenteeism from 2009 and 2010.

The objectives of this study were to identify causes with a view to developing more effective solutions for managing the levels of absenteeism and employment status in the Trial store. The effect of any solution should focus on creating a more employee friendly organisation that has very low or no absenteeism. This investigation endeavoured to:

- Determine which employment status has higher absenteeism figures;
- Implement new approaches to improve absenteeism;
- Minimise the effects of absenteeism on the organisation by identifying solutions to manage staff absenteeism;
- Understand the causes and effects of absenteeism;
- Highlight similarities and differences in absenteeism levels in absenteeism levels between supermarkets.

In the next section the essential findings of this empirical study is discussed.

5.2. CUSTOMER SERVICE SURVEY (ENQUIRY 1)

It was deemed very important by the researcher to understand what the consumers thought processes about the services they received. Employee absenteeism contributes to the decrease in service consumers receive (Singh 2009: 98). Customer dissatisfaction was discussed in chapter two (s). The use of technology by customers is changing their wants and needs. According to Vallie (2012: 14), retailers need to capitalise on the changing profiles of customers by adopting a more customer centred approach to become customer orientated and companies must embrace technology that has made the consumer more sophisticated regarding their wants and needs. In addition, the author indicated that managing the stores operations and an upstream supply chain no longer works. The internet, radio, television and newspapers have changed consumer decision making by assisting them in making purchasing decisions before they enter supermarkets.

Interdependence between employee service and customer demands can be a disadvantage during service delivery. Absenteeism may contribute significantly to poor service delivery. Staff shortage coupled to absence of skilled expertise may lead to dissatisfaction and critic from customers. Therefore a conclusion can be derived at that absenteeism is interlinked with, if there is no customers there is no business.

The customer service survey component comprised of a questionnaire relating to employee service levels. The questions were designed to gather empirical data on the opinions of customers about employee services. As an indirect exploration, the researcher hoped to obtain information about customers perceived the employees service levels in the participating stores. This survey could be directly related to the service levels rendered to the respondents by the employees.

The questions in the first customer service survey enquiry are as follows:

- Do you agree / disagree that our personnel provide prompt, friendly and courteous service?
- Do you agree / disagree that our personnel has good product knowledge?
- Do you agree / disagree that our personnel are professional and trustworthy?
- Do you agree / disagree that our personnel deliver prompt and efficient service?
- Do you agree / disagree that our personnel working in the service area provide excellent service?
- Do you agree / disagree that our cashiers and till packers working in the checkouts provide excellent service?
- Do you agree / disagree that our management are visibility and provide assistance? and
- Do you agree / disagree that our supermarket for service?

The administering of the questionnaires took place under similar conditions on the same days at concurrent times at the five participating supermarkets. The consumer and store managers from each of the participating stores assisted by the researcher administered the questionnaires, creating a total sum of 500 customer responses. The gender compositions of the customers were as follows:

Table 5.1 Composition of Gender (1st Survey)

Stores	Male	Female
Pick n Pay Mountain Mill	30	70
Pick n Pay Somerset Mall	25	75
Pick n Pay Pinelands	35	65
Elite Super Spar	25	75
Pick n Pay Atlantis Family store	30	70

Source: Human Resource Department participating Stores

Table 5.1 provides the total male and female gender numbers that completed the questionnaires in the participating supermarkets. According to the table more females (71%) than male (29%) are shopping at the participating supermarkets. The data emerging from the enquiry was tested for independence and proportional differences using the statistical techniques chi – square analysis and *t*-test. In response to the questionnaire and the sub research question, does employee absenteeism affect customer services, two sets of statistical tests (Area and Time) were conducted to analyse the data emerging from the five participating supermarkets.

The questions in the second customer service survey adopted a 5 point Likert scale representing: (1) strongly agree; (2) agree; (3) neutral; (4) disagree; (5) strongly disagree, requesting customers to tick the scale According to their beliefs. The questions posed in the second survey are as follows:

- Our personnel provide prompt, friendly and courteous service;
- Our personnel has good product knowledge;
- Our personnel are professional and trustworthy;
- Our personnel deliver prompt and efficient service;
- Our personnel working in the service area provide excellent service;
- Our cashiers and till packers working in the checkouts provide excellent service;
- Our management are visible and provide assistance; and
- Our supermarket provides excellent service.

The consumer and store managers from each participating stores, assisted by the researcher, administered the questionnaires, creating a total sum of 150 customer responses. In the next section Cronbach's Alpha is conducted to test the validity of the questions in the survey.

5.2.1 Cronbach's Alpha

Bland and Altman (1997: 314) stated that Cronbach's α (alpha) is a coefficient of internal consistency. It is commonly used as an estimate of the reliability of a psychometric test for a sample of examinees. The standardized Cronbach's alpha can be defined as:

$$\alpha_{\text{standardized}} = \frac{K\bar{r}}{1 + (K - 1)\bar{r}}$$

where K is as above and \bar{r} the mean of the $K(K - 1)/2$ non-redundant correlation coefficients (i.e., the mean of an upper triangular, or lower triangular, correlation matrix). A commonly accepted rule of thumb for describing internal consistency using Cronbach's alpha is as follows, however, a greater number of items in the test can artificially inflate the value of alpha and so this rule of thumb should be used with caution:

Table 5.2 Cronbach's Alpha Indicator of Consistency

Cronbach's alpha	Internal consistency
$\alpha \geq 0.9$	Excellent
$0.8 \leq \alpha < 0.9$	Good
$0.7 \leq \alpha < 0.8$	Acceptable
$0.6 \leq \alpha < 0.7$	Questionable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

Table 5.2 indicate Cronbach's internal mean of an upper triangular, or lower triangular, correlation matrix.

Table 5.3 Item Analysis Report Reliability Section

Reliability Section

All data included

Variable	Item Values		If This Item is Omitted				R ² Other Items
	Mean	Standard Deviation	Total Mean	Total Std.Dev.	Coef Alpha	Corr Total	
Q1	1.58	0.49	10.64	2.39	0.81	0.40	0.18
Q2	1.47	0.50	10.75	2.38	0.81	0.42	0.22
Q3	1.54	0.50	10.69	2.32	0.79	0.55	0.32
Q4	1.58	0.49	10.64	2.30	0.78	0.60	0.38
Q5	1.51	0.50	10.71	2.30	0.78	0.60	0.37
Q6	1.47	0.50	10.75	2.33	0.79	0.53	0.33
Q7	1.53	0.50	10.69	2.29	0.78	0.63	0.43
Q8	1.53	0.50	10.70	2.33	0.79	0.53	0.35
Total			12.22	2.63	0.81		

Cronbach's Alpha 0.814354 Std. Cronbach's Alpha 0.81 0.814288

A Cronbach's Alpha of greater than 0.7 is regarded as a good reliability/consistency.

Table 5.3 indicates the reliability section of the internal report. Standard Cronbach's Alpha for this analysis is 0.814288. The table also indicates that the questionnaire is reliable because as indicated above a Cronbach's Alpha of greater than 0.7 is an indication of good reliability.

Table 5.4 Item Analysis Report Correlation Section

Correlation Section

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8
Q1		0.26	0.29	0.29	0.34	0.21	0.32	0.22
Q2	0.26		0.37	0.39	0.28	0.22	0.26	0.23
Q3	0.29	0.37		0.46	0.4	0.31	0.41	0.31
Q4	0.29	0.39	0.46		0.45	0.4	0.43	0.34
Q5	0.34	0.28	0.4	0.45		0.42	0.47	0.4
Q6	0.21	0.22	0.31	0.4	0.42		0.47	0.45
Q7	0.32	0.26	0.41	0.43	0.47	0.47		0.52
Q8	0.22	0.23	0.31	0.34	0.4	0.45	0.52	

Cronbach's Alpha 0.814354 Std. Cronbach's Alpha 0.814288

Table 5.4 indicates the correlation section of the internal report . Standard Cronbach's

Alpha for this analysis is 0.814288. The table indicates that the questionnaire is reliable because as indicated above a Cronbach's Alpha of greater than 0.7 is an indication of good reliability. The r^2 for question 7 in the reliability and correlation sections has the highest rating. This table also indicates that management visibility is non-existent and if the opposite was true then the other questions will get higher ratings making the operation of the supermarket routine.

5.2.2 Chi – Square Analysis of the Customer Service Survey 1

The chi-square statistical analysis is a measure commonly utilised to test hypothesis on results of a random variable in a population. Eight different χ^2 tests were conducted: In the first test no distinction is made between the different stores followed by a distinction on each question during different timeframes:

- Daytime;
- Evening;

Two different hypotheses were addressed for the customer service surveys. The first addressed

- H_0 : There is no difference between the stores daytime and evening employees; and
- H_a : There is a difference between the stores daytime and evening employees.

In the second hypothesis the following were tested:

- H_0 : There is no difference in how the customers rate the various store employees for service levels; and
- H_a : There is a difference in how the customers rate the various store employees for service levels.

The χ^2 tests is a test of no direction; meaning that if a no relationship exists, (test 1) there is no indication which group is perceived to be the better group. In such a case other statistical tests are

needed if necessary. The following tests were conducted for area and time relating to the questions. Note that each of the eight questions will now be discussed in terms of the results which were obtained.

Question 1

Table 5.5: Cross Tabulation for the Entire Sample. * (Area)

Crosstab Count

		Area					Total
		Mountain Mill	Somerset Mall	Pick n Pay Atlantis Family Store	Elite Super Spar	Pinelands	
1.Do you agree / disagree that our personnel provide prompt, friendly and courteous service?	Disagree	37	32	53	57	36	209
	Agree	63	68	47	43	64	291
Total		100	100	100	100 vvvvv	100	500

Table 5.5 indicates how the consumers rated the employees for prompt, friendly and courteous service in all the participating stores. In total there were 500 surveys conducted in all participating stores of which 291 customers agreed and 209 disagreed with question 1. According to the table the trial store has the second highest disagreement of prompt, friendly and courteous service by the customers while Somerset Mall has the highest customer agreement with this question.

- Note that this statistics reflects customer services, and does not to the absenteeism variable.

Table 5.5.1 Chi-Square: Test * (Area)

Chi-Square Tests

			P-value (2-sided)
Pearson Chi-Square	16.022^a	4	0.002
N of Valid Cases	500		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 41.80.

Table 5.5.1 indicate that the null – hypothesis of independence is rejected at 0.05 level of significance and the *p*-value for question one is 0.002. Therefore, test of no difference is rejected because there is a significant difference in the way customers rated employees of the various stores in respect of prompt, friendly and courteous service. Thus, there is a statistical significant differences between the various stores in different geographical areas.

Table 5.5.2 Cross Tabulation: All Stores. * (Time)

Cross tab Count

		Time		Total
		Daytime	Evening	
1. Do you agree / disagree that our personnel provide prompt, friendly and courteous service?	Disagree	102	107	209
	Agree	148	143	291
Total		250	250	500

Table 5.5.2 indicate how consumers rated the employee for prompt, friendly and courteous service. In total there were 500 surveys conducted in the daytime and evening in all participating stores of which 291 agreed and 209 disagreed with question 1. It must be noted that 107 evening customers and 102 day customers disagreed with question 1. While 148 day customer and 143 evening customers agreed with the question. The results of this (time) statistic include all participating stores questionnaires. According to the table 58 per cent was in agreement and 42 per cent disagreed, which include all participating stores results. Thus the following statistical result has significance.

Table 5.5.3 Chi-Square: Test *(Time)

Chi-Square Tests

	Value	df	P-value (2-sided)
Pearson Chi-Square	.206 ^a	1	0.650
N of Valid Cases	500		

Table 5.5.3 indicate null – hypothesis for question one (time). The *p-value* will not be rejected at the 0.05 level of significance. The *p-value* for question 1 is - 0.650 therefore, customers do not rate employees of the two shifts differently in respect of prompt, friendly and courteous service. There is no difference in the levels of agreement between day time and evening staff ($p=0.065$).

Question 2

Table 5.6: Cross Tabulation for the Entire Sample *(Area)

Crosstab Count

		Area					Total
		Mountain Mill	Somerset Mall	Pick n Pay Atlantis Family Store	Elite Super Spar	Pinelands	
2.Do you agree / disagree that our personnel has good product knowledge?	Disagree	53	56	46	54	53	262
	Agree	47	44	53	46	47	237
Total		100	100	99	100	100	499

Table 5.6 indicate how customers rate the personnel for product knowledge. In total there were 499 surveys conducted in all participating stores during the daytime and evening of which 237 agreed that the personnel has good product knowledge, whilst 262 disagreed. According to the table 58 per cent was in agreement and 42 per cent disagreed with question 2, amongst all participating stores. Whilst the trial store had the lowest per cent (46) of disagreement for question two. In an evaluation of customer responses to employee product knowledge 53 per cent of respondents attested to employees having a good knowledge of the products. This maybe attributable to employing of casual staff comprising of matriculants and graduates from tertiary institutions who may possess enquiring minds which inadvertently enhance the growth of their product knowledge. The casual staff when approached by the mystery shoppers for assistance showed more initiative in providing assistance compared to the permanent staff.

Table 5.6.1 Chi-Square: Test *(Area)

Chi-Square Tests

	Value	df	P-value (2-sided)
Pearson Chi-Square	2.048 ^a	4	0.727
N of Valid Cases	499		

a 0 cells (.0%) have expected count less than 5. The minimum expected count is 47.02.

Table 5.6.1 indicates that the null – hypothesis of independence is rejected at 0.05 level of significance and the p -value for question two is 0.727. Therefore, test of no difference is not rejected because there is no difference in the way customers rated employees in respect of product knowledge. The p - value test result included all participating stores although the trial store has the highest customer agreement about employee product knowledge. Thus, there is no statistical significant difference between the various stores in different geographical areas.

Table 5.6.2 Cross Tabulation: All Stores. *(Time)

		Time	
		Daytime	Evening
2. Do you agree / disagree that our personnel has good product knowledge?	Disagree	128	134
	Agree	121	116
Total		249	250

Table 5.6.2 indicate how consumers rated the employees for product knowledge. In total there were 500 surveys conducted in the daytime and evening in all participating stores of which 237 agreed with question 2 and 262 disagreed. It must be noted that 134 evening customers and 128 day customers disagreed with question 2. While 121 day customer and 116 evening customers agreed with the question. Fifty three per cent of respondents did not rate the employees

positively. The results of this statistics include 499 questionnaires from all participating stores. The findings of customer responses at the trial store are contrary to the general findings of consumers at the remaining participating stores. Thus the following statistical result has significance.

Table 5.6.3 Chi-Square: Test *(Time)

Chi-Square Tests

Time	Value	df	P-value (2-sided)
Pearson Chi-Square	.241 ^a	1	0.624
N of Valid Cases	499		

Table 5.6.3 indicate null – hypothesis for question two (time). The *p-value* will not be rejected at the 0.05 level of significance. The *p-value* for question 2 is - 0.624 therefore, customers do not rate employees of the two shifts differently in respect of product knowledge. There is no difference in the levels of agreement between day time and evening staff (*p*-0.62).

Question 3

Table 5.7: Cross Tabulation for the Entire Sample. *(Area)

		Area					Total
		Mountain Mill	Somerset Mall	Pick n Pay Atlantis Family Store	Elite Super Spar	Pinelands	
3. Do you agree / disagree that our personnel are professional and trustworthy?	Disagree	41	43	54	50	42	230
	Agree	59	57	46	50	58	270
Total		100	100	100	100	100	500

Table 5.7 indicates how the consumers rate the employees in terms of being professional and trustworthy. In total there were 500 surveys conducted in all participating stores daytime and evening of which 270 agreed with question 3 and 230 disagreed. According to the table 58 per cent was in agreement and 42 per cent disagreed with question three, which include all participating stores results. Whilst the trial store had the highest per cent of disagreement for question three. In an evaluation of customer responses to employee professionalism and trustworthiness, 54 per cent of respondents disagreed with the question. There are no specific reasons for customers saying that employees are not trustworthy. Customers complained that the employees were unable to respond to their enquiries. Employees then indicated that they would seek advice from senior personal but only fail to return. Coupled to this a lack of adequate visual presence of staff may complicate routine problems which in normal circumstances would be expedited promptly to customer satisfaction. In addition this may lead to poor customer perceptions of employee service.

Table 5.7.1 Chi-Square: Test *(Area)

Chi-Square Tests

	Value	df	sided)
Pearson Chi-Square	5.233 ^a	4	0.264
N of Valid Cases	500		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 46.00.

Table 5.7.1 indicates that the null – hypothesis of independence is rejected at 0.05 level of significance and the *p*-value for question three is 0.264. Therefore, test of no difference is not rejected because there is no difference in the way customers rated employees of the various stores in respect of being professional and trustworthy. Thus there is no statistical significant difference between the various stores in different geographical areas.

Table 5.7.2 Cross Tabulation: All Stores *(Time)

Crosstab Count

		Time		Total
		Daytime	Evening	
3. . Do you agree / disagree that our personnel are professional and trustworthy?	Disagree	125	105	230
	Agree	125	145	270
Total		250	250	500

Table 5.7.2 indicates how the consumers rated the employees in terms of being professional and trustworthy. In total there were 500 surveys conducted in the daytime and evening in all participating stores of which 270 (54%) agreed with question 3 and 230 (46%) disagreed. It must be noted that 105 evening customers and 125 day customers disagreed with the question. While 125 day customer and 145 evening customers agreed with the question. Forty six per cent of respondents did not rate the employees positively. The results of these statistics include 500 questionnaires from all participating stores. According to the statistics the trial store has the

highest disagreements for this question 3 and Mountain Mill the lowest. It becomes evident that whilst other factors may have played a role in determining negative perceptions of the trial store. Thus, the following statistical result has significance.

Table 5.7.3 Chi-Square: Test *(Time)

Chi-Square Tests

	Value	df	P-value (2-sided)
Pearson Chi-Square	3.221 ^a	1	0.073
N of Valid Cases	500		

Table 5.7.3 indicates that the null-hypothesis for question 3. The null – hypothesis of independence is not rejected at 0.05 level of significance ($p = 0.073$). The p -value for question three is 0.073 therefore customers do not rate employees of the two shifts differently in respect of being professional and trustworthy. There is a difference in the levels of agreement between day time and evening staff ($p=0.073$).

Question 4

Table 5.8: Cross Tabulation for the Entire Sample *(Area)

Crosstab Count

		Area					Total
		Mountain Mill	Somerset Mall	Pick n Pay Atlantis Family Store	Elite Super Spar	Pinelands	
4. Do you agree /disagree that our personnel deliver prompt and efficient service?	Disagree	38	38	57	46	42	207
	Agree	62	62	43	54	58	293
Total		100	100	100	100	100	500

Table 5.8 indicates how the consumers rated the employees for prompt and efficient service. In total there were 500 surveys conducted in all the participating stores of which 293 agreed with question 4 and 207 disagreed. The table indicate that the consumers rate the employees differently in terms of providing prompt and efficient service delivery. According to the table 58 per cent were in agreement and 42 per cent disagreed with question 4, which includes all participating stores results. Whilst the trial store had the highest per cent of disagreement for question four Somerset Mall and Mountain Mill had the lowest disagreements. In an evaluation of customer responses to employee, providing prompt and efficient service delivery 42 per cent of respondents disagreed with the question. The trial store had the highest number of disagreements (57%) amongst the participating stores.

Table 5.8.1 Chi-Square: Test *(Area)

Chi-Square Tests

	Value	df	P-value (2-sided)
Pearson Chi-Square	1.946 ^a	4	0.746
N of Valid Cases	500		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 41.40.

Table 5.8.1 indicates the null – hypothesis of independence is rejected at 0.05 level of significance and the p -value for question four is 0.746. Therefore, test of no difference is not rejected because there is no significant difference in the way customers rate employees of the various stores in respect of being prompt and providing efficient service. Thus this statement may well verify why 57 per cent of customer responses deemed prompt and efficient service of being of sub standard nature in the trial store. Thus there is no statistical significant difference between the various stores in different geographical areas.

Table 5.8.2 Cross Tabulation: All Stores *(Time)

Crosstab Count

		Time		Total
		Daytime	Evening	
4. Do you agree /disagree that our personnel deliver prompt and efficient service	Disagree	109	98	207
	Agree	141	152	293
Total		250	250	500

Table 5.8.2 indicates how the consumers rated the employees for prompt and efficient service. In total there were 500 surveys conducted in the daytime and evening in all participating stores responses of which 293 agreed with question 4 and 207 disagreed. It must be noted that 250 evening customers and 250 day customers disagreed with question. While 141 day customer and 152 evening customers agreed with the question. Forty one per cent of respondents did not rate the employees positively. Thus, the following statistical result has significance.

Table 5.8.3 Chi-Square: Test *(Time)

Chi-Square Tests

	Value	df	P-value (2-sided)
Pearson Chi-Square	.998 ^a	1	0.318
N of Valid Cases	500		

Table 5.8.3 indicate the null-hypothesis for question four. The p -value will not be rejected at 0.05 level of significance. The p -value for question four is 0.318 therefore; customers do not rate employees of the two shifts differently in respect of prompt and efficient service. There is no difference in the levels of agreement between day time and evening staff (p -0.318).

Question 5

Table 5.9: Cross Tabulation for the Entire Sample *(Area)

Crosstab Count

		Area					Total
		Mountain Mill	Somerset Mall	Pick n Pay Atlantis Family Store	Elite Super Spar	Pinelands	
5. Do you agree /disagree that our personnel working in the service area provide excellent service	Disagree	48	47	52	51	44	242
	Agree	52	53	47	49	56	257
Total		100	100	99	100	100	499

Table 5.9 indicates how the consumers rate the employees working in the service area. This is the most critical area in the supermarkets because the contact rate between customer and employees are very high and perceptions about services are formed. In total there were 499 surveys conducted in all participating stores of which 257 agreed and 242 disagreed with question 5. Fifty two per cent rating from customers makes the trial store worst ranked for service delivery and Pinelands the best amongst the participating stores. Customers reported regular staff turnovers in the various areas. This conclusion maybe true and can be attributable to regular resignations, termination of services due to misdemeanours, resulting in inexperienced personal being

deployed to work in a highly specialised environment. This results in a pressurised environment in which senior personals in the service area having to devote part of their time to assisting and training of inexperienced staff.

Table 5.9.1 Chi-Square: Test *(Area)

Chi-Square Tests

	Value	df	P-value (2-sided)
Pearson Chi-Square	1.803 ^a	4	0.772
N of Valid Cases	499		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 48.01.

Table 5.9.1 indicates the null – hypothesis for question 5. The null–hypothesis of independence is rejected at 0.05 level of significance and the p-value for question five is 0.772. Therefore, test of no difference is not rejected because there is no significant difference in the way customers rated employees in respect of providing excellent service. Thus this statement may well verify why 52 per cent of customer responses deemed employee services being of sub standard nature in the trial store. Thus there is no statistical significant difference between the various stores in different geographical areas.

Table 5.9.2 Cross Tabulation: All Stores *(Time)

Crosstab Count

		Time		Total
		Daytime	Evening	
5. Do you agree / disagree that our personnel working in the service area provide excellent service.	Disagree	120	122	242
	Agree	129	128	257
Total		249	250	499

Table 5.9.2 indicates how the customers rated the employees working in the service area. In total there were 499 surveys conducted in the daytime and evening in all participating stores of which 257 agreed with question 5 and 242 disagreed. It must be noted that 122 evening customers and 120 day customers disagreed with question 5. While 129 day customer and 128 evening customers agreed with the question. Forty eight per cent of surveys did not rate the employees positively. The trial store received the highest per cent of disagreements for question 5. Thus the following statistical result has significance.

Table 5.9.3 Chi-Square Test *(Time)

Chi-Square Tests

	Value	df	P-value (2-sided)
Pearson Chi-Square	.018 ^a	1	0.892
N of Valid Cases	499		

Table 5.9.3 indicates the null – hypothesis for question five. The null – hypothesis for independence is rejected at 0.05 level of significance. The p -value for question five is 0.892 therefore; customers do not rate employees of the two shifts differently working in the service area. There is no difference in the levels of agreement between day time and evening staff ($p=0.892$).

Question 6

Table 5.10 Cross Tabulation for the Entire Sample*(Area)

Crosstab Count

		Area					Total
		Mountain Mill	Somerset Mall	Pick n Pay Atlantis Family Store	Elite Super Spar	Pinelands	
6. Do you agree / disagree that our cashiers and till packers working in the checkouts provide excellent service.	Disagree	53	55	57	48	49	262
	Agree	47	45	42	52	51	237
Total		100	100	99	100	100	499

Table 5.10 indicates how the consumers rate the cashiers and till packers working in the checkouts. In total there were 499 surveys conducted in all participating stores of which 237 agreed with question 6 and 262 disagreed. Fifty seven per cent rating from customers makes the trial store worst ranking for cashiers and till packers and Elite Super Spar the best amongst the participating stores. This is another critical area in the supermarkets where contact between customers and employees are meaningful and perceptions of services are created in the minds consumers. Customer responses of cashiers and till packers did not provide encouraging results because 57 per cent of respondents stated that they were unhappy with standards of service provided by the trial store cashiers and till packers. Some of the reasons provided for example, idle banter between the personal in question, inadequate number of visible checkouts, use of outsourced personal to fulfil supply and demand needs have contributed in enhancing negative perceptions of customers at the till points.

Table 5.10.1 Chi-Square: Test *(Area)

Chi-Square Tests

	Value	df	P-value (2-sided)
Pearson Chi-Square	2.587 ^a	4	0.629
N of Valid Cases	499		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 47.02.

Table 5.10.1 indicates the null – hypothesis for question 6. The null – hypothesis of independence is rejected at 0.05 level of significance and the *p*-value for question six is 0.629. Therefore the test of no difference is not rejected because there is no significant difference in the way customers rated employees of the various stores in respect of providing excellent service. Thus this statement may well verify why 57 per cent of customer responses deemed employees service of being of sub standard nature in the trial store. Thus, there is no significant difference between the various stores in different geographical areas.

Table 5.10.2 Cross Tabulation: All Stores *(Time)

Crosstab Count

		Time		Total
		Daytime	Evening	
6. Do you agree / disagree that our cashiers and till packers working in the checkouts provide excellent service.	Disagree	131	131	262
	Agree	118	119	237
Total		249	250	499

Table 5.10.2 indicates how the consumers rated the cashiers and till packers working in the checkouts. In total there were 499 surveys conducted in the daytime and evening in all participating stores of which 237 agreed with question 6 and 262 disagreed. While 118 day and 119 evening customers agreed and 131 day and 131 evening customers disagreed with the question 6. Fifty three per cent of customers did not rated the cashiers and till packers positively. Thus, the following statistical result has significance.

Table 5.10.3 Chi-Square: Test *(Time)

Chi-Square Tests

	Value	df	P-value (2-sided)
Pearson Chi-Square	.002 ^a	1	0.962
N of Valid Cases	499		

Table 5.10.3 indicates the null – hypothesis for question 6. The null – hypothesis for independence is rejected at 0.05 level of significance. The p -value for question six is 0.962 therefore, customers do not rate employees of the two shifts differently working in the service area in respect of providing excellent services. The findings of customer responses at the trial store are contrary to the general findings of consumers at the remaining participating stores. There is no difference in the levels of agreement between daytime and evening staff ($p=0.962$)

Question 7

Table 5.11 Cross Tabulation for the Entire Sample *(Area)

Crosstab Count

		Area					Total
		Mountain Mill	Somerset Mall	Pick n Pay Atlantis Family Store	Elite Super Spar	Pinelands	
7. Do you agree /disagree that our management are visible and provide assistance	Disagree	53	45	52	47	37	234
	Agree	47	55	48	53	63	266
Total		100	100	100	100	100	500

Table 5.11 indicates how the consumers rated the management for visibility and assistance. In total there were 500 surveys conducted in all participating stores of which 266 agreed with question 7 and 234 disagreed. According to the statistics the trial store has the second highest (52%) disagreement of management visibility and assistance to customers and Pinelands with 37% disagreements. Effective management requires members to be multi skilled. Thus with regular staff absence management is required to fulfil a variety of roles. Whilst in this instance multi tasking may be seen as an asset, it never the less impacts management in a negative way by hampering the execution of management tasks for example they get tied up with punching orders in the computer that is situated in the admin room. Another such task is his / her visual presence in attending to customer queries and complaints. Their visibility on the shop floor becomes non existent to the customers and staff. This could cause employees being absent from their workstation because there is no visible supervision taking place.

Table 5.11.1 Chi-Square: Test *(Area)

Chi-Square Tests

	Value	df	P-value (2-sided)
Pearson Chi-Square	6.619^a	4	0.157
N of Valid Cases	500		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 46.80.

Table 5.11.1 indicates the null – hypothesis for question 7. The null – hypothesis of independence is rejected at 0.05 level of significance and the *p*-value for question seven is 0.157. Therefore, the test of no difference is not rejected because there is no significant difference in the way customers rated employees of the various stores in respect of management visibility and assistance. Thus this statement may well verify why 52 per cent of customer responses deemed management visibility and assistance being of sub standard nature in the trial store. Thus, there is no significant difference between the various stores in different geographical areas.

Table 5.11.2 Cross Tabulation: All Stores *(Time)

Crosstab Count

		Time		Total
		Daytime	Evening	
7. Do you agree /disagree that our management are visible and provide assistance	Disagree	120	114	234
	Agree	130	136	266
Total		250	250	500

Table 5.11.2 indicates how the consumers rated the management for visibility and assistance. In total there were 500 surveys conducted in the daytime and evening in all participating stores of which 266 agreed with question 7 and 234 disagreed. While 130 day customer and 136 evening customers agreed and 120 day and 114 evening customers disagreed with the question 7. Forty seven per cent of customers did not rate the management for visibility and assistance positively. Thus, the following statistical result has significance.

Table 5.11.3 Chi-Square: Test *(Time)

Chi-Square Tests

	Value	df	P-value (2-sided)
Pearson Chi-Square	.289 ^a	1	0.591
N of Valid Cases	500		

Table 5.11.3 indicates the null – hypothesis for question 7. The null – hypothesis for independence is rejected at 0.05 level of *significance*. The p =value for question seven is 0.591 therefore; customers do not rate employees of the two shifts differently in respect of management visibility and providing assistance. There is no difference in the levels of agreement between daytime and evening staff (p -0.591)

Question 8

Table 5.12 Cross Tabulation for the Entire Sample *(Area)

Crosstab Count

		Area					Total
		Mountain Mill	Somerset Mall	Pick n Pay Atlantis Family Store	Elite Super Spar	Pinelands	
8.Do you agree/disagree that our supermarket provide excellent service.	Disagree	54	51	57	33	41	236
	Agree	46	49	43	67	59	264
Total		100	100	100	100	100	500

Table 5.12 indicates how the customers rated the supermarkets for service. In total there were 500 surveys conducted in all participating stores of which 264 agreed with question 8 and 236 disagreed. According to the table the trial store has the highest per cent (57%) disagreement of excellent services offered by the supermarkets. In summation the statistics indicate that 57 per cent of the customers rated the service levels of the trial store as of a sub standard nature while Elite Super Spar had 67% of agreements.

Table 5.12.1 Chi-Square: Test *(Area)

Chi-Square Tests

	Value	df	P-value (2-sided)
Pearson Chi-Square	15.922^a	4	0.003
N of Valid Cases	500		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 47.20.

Table 5.12.1 indicates the null – hypothesis for question 8. The null–hypothesis of independence is rejected at 0.05 level of significance and the *p*-value for question eight is 0.003. Therefore, the test of no difference is rejected because there is a significant difference in the way customers rated the employees of the various stores in respect of services offered by the supermarkets. Thus this statement may well verify why 57 per cent of customer responses deemed the trial stores service of being of sub standard nature in the trial store. There are significant differences between the various stores in different geographical areas.

Table 5.12.2 Cross Tabulation: All Stores *(Time)

Crosstab Count

		Time		Total
		Daytime	Evening	
8. Do you agree/disagree that our supermarket provide excellent service?	Disagree	120	116	236
	Agree	130	134	264
Total		250	250	500

Table 5.12.2 indicates how the customers rated the supermarket for service. In total there were 500 surveys conducted in the daytime and evening in all participating stores of which 236 agreed with question 8 and 264 disagreed. While 130 day and 134 evening customers agreed and 120 day and 116 evening customers disagreed with the question 8. Forty seven per cent of respondents did not rate the supermarkets positively for service. Thus, the following statistical result has significance.

Table 5.12.3 Chi-Square: Test *(Time)

Chi-Square Tests

	Value	df	P-value (2-sided)
Pearson Chi-Square	.128 ^a	1	0.720
N of Valid Cases	500		

Table 5.12.3 indicates the null – hypothesis for question 8. The null – hypothesis for independence is rejected at 0.05 level of *significance*. The *p*-value for question seven is - 0.720 therefore, customers do not rate employees of the two shifts differently working in the supermarkets in respect of providing excellent services. There is no difference in the levels of agreement between daytime and evening staff (*p*-0.720).

5.2.3 Analysis of Customer Service Survey

More than fifty per cent of the participants at the trial store disagreed with seven of the eight statements presented in the questionnaire. More than fifty per cent of the participants in the remaining participating stores agreed to the vast majority of statements presented in the questionnaire in annexure F. The findings of more than 60 per cent of the participant's responses at the trial store are contrary to the general findings of consumers at the remaining participating stores. The results of the questionnaire for all participating store is listed below:

Table 5.13 Questionnaire Customer Responses for All Stores

		Area				
		Mountain Mill	Somerset Mall	Pick n Pay Atlantis Family Store	Elite Super Spar	Pinelands
1. Do you agree / disagree that our personnel provide prompt, friendly and courteous service?	Disagree	37	32	53	57	36
	Agree	63	68	47	43	64
2. Do you agree / disagree that our personnel has good product knowledge?	Disagree	53	56	46	54	53
	Agree	47	44	53	46	47
3. Do you agree / disagree that our personnel are professional and trustworthy?	Disagree	41	43	54	50	42
	Agree	59	57	46	50	58
4. Do you agree / disagree that our personnel deliver prompt and efficient service?	Disagree	38	38	57	46	42
	Agree	62	62	43	54	58
5. Do you agree / disagree that our personnel working in the service area provide excellent service?	Disagree	48	47	52	51	44
	Agree	52	53	47	49	56
6. Do you agree / disagree that our cashiers and till packers working in the checkouts provide excellent service?	Disagree	53	55	57	48	49
	Agree	47	45	42	52	51
7. Do you agree / disagree that our management are visible and provide assistance?	Disagree	53	45	52	47	37
	Agree	47	55	48	53	63
8. Do you agree / disagree that our supermarket provided excellent service?	Disagree	54	51	57	33	41
	Agree	46	49	43	67	59

Table 5.13 indicates the customer responses to the eight questions in the questionnaire. All stores with higher disagreement than agreements is highlighted. According to the table the trial store has highest disagreements in seven of the eight questions that are presented in the enquiry. The trial store has the highest agreements in question two of the questionnaire. More than fifty per cent of the customers disagree with the statements that the cashiers and till packers working in the checkouts provide excellent service and that the supermarket provide excellent service.

Figure 5.1 Customer Responses Survey 1

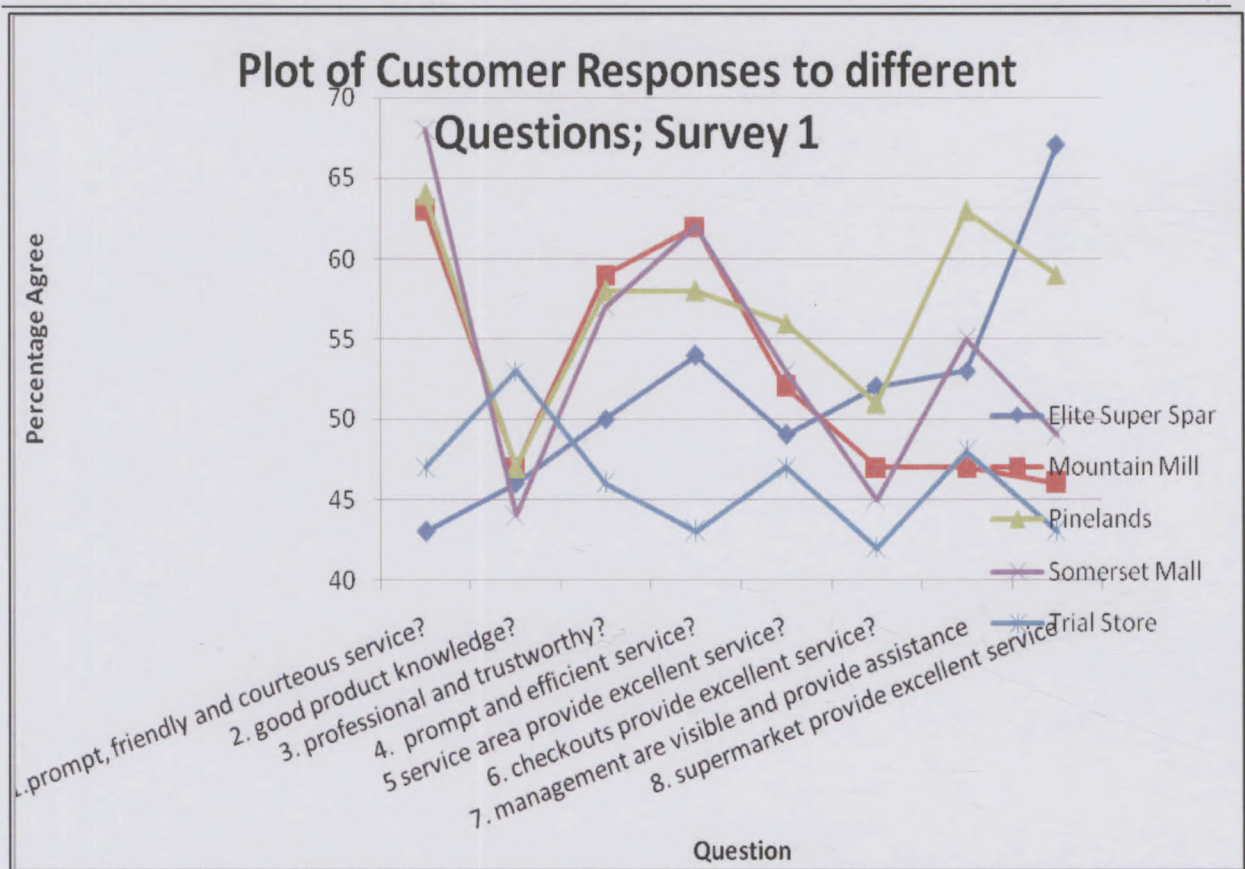


Figure 5.1 indicates that Somerset Mall, Pinelands and Mountain Mill have been rated higher than Elite Spar and Trial Store for prompt, friendly and courteous service. While the Trial store featured

higher than the other participating stores for employee product knowledge, it becomes evident in Figure 5,1 that the Trial Store is the worst performing store in response to survey 1. When compared to the remaining participating stores. It becomes clearly evident that certain factors may have played a role in determining negative perceptions of the trial store. Amongst these factors absenteeism seems to be playing a critical role in the formulating negative responses from customers. It would appear that the general feeling amongst customers was that employees seemed happier when extra staff is working with them. This makes the researcher deduce that imbalances in the staffing levels lead to the employee's working under pressures and stress which may translate to the absence of cordial responses from employees. Under normal circumstances (as indicated by customers) the presence of a full quota of staff invariably leads to contented staff since workload is evenly shared. The high numbers of disagreement in the questionnaire about s could be as a result of high absenteeism amongst the employees putting them under pressure to deliver quality service. Therefore the statement in the questionnaire may well verify why 57 per cent of customer responses deemed prompt and efficiency of service being of sub standard nature. The respondents in the questionnaire reported regular staff turnovers in the various service areas. This conclusion maybe true and can be attributable to regular resignations, termination of services due to misdemeanours and high absenteeism resulting in inexperienced personal being deployed to work in a highly specialised environment. Customers reported that very often they were treated in a less cordial way by employees and were subjected to long queues at check outs and service areas. According to this study's literature review (chapter 2) absenteeism produces a myriad of accompanying problems. A conclusion could be reached that H_0 test of no difference in daytime and evening employees is rejected in questions 1 and 8 of survey 1. Thus, indicating there is significant levels of difference in the daytime and evening employees. While the other six questions there is no difference in the levels of agreement between daytime and evening staff. In the next section the focus groups investigations are discussed.

Figure 5.2 Absenteeism versus Rating for Survey 1

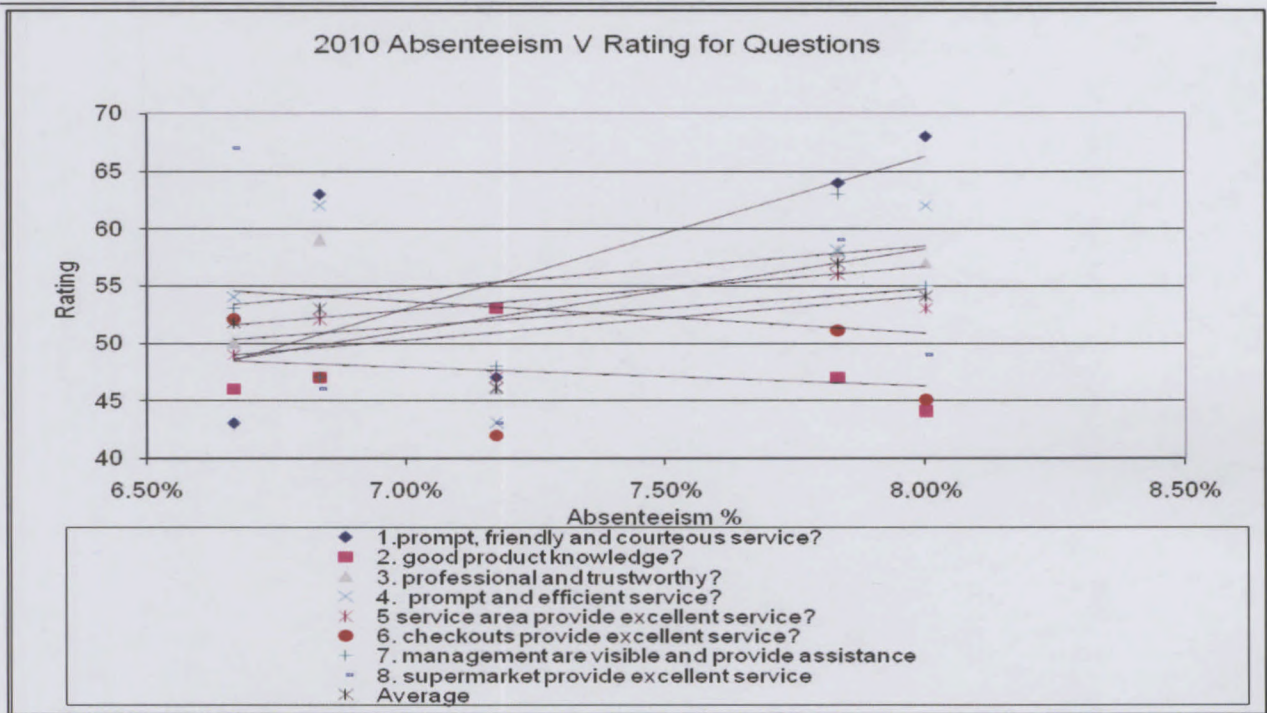


Figure 5.2 indicates the service rating versus the employee absenteeism. The graph indicate the higher the employee absenteeism percentage the lower the agree response to the questions.

5.2.4 Regression Analysis for Customer Service Survey 2

Regression analysis is a statistical method which attempts to quantify and describe the possible relationships between variables. The structural relationships between variables can assist with the prediction of unknown values of certain variables from unknown values from values of related variables (Wagner 2000: 302). The customer service survey component comprised of a questionnaire relating to employee service levels. The questions were designed to gather empirical data on the opinions of customers about employee services. As an indirect exploration,

the researcher hoped to obtain information about customers perceived the employees service levels in the participating stores. This survey could be directly related to the service levels rendered to the respondents by the employees. In this component 150 surveys were conducted between 09h00 and 14h00 on a Saturday. The responses of the second survey are listed below:

Table 5.14 Customer Service Survey 2 (Responses)

CUSTOMER RESEARCH (LIKERT SCALE)						
	Questions	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Our personnel provides prompt ,friendly and courteous service	nil	35	65	45	5
2	Our personnel has good product knowledge	nil	35	65	50	nil
3	Our personnel are professional and trustworthy	2	30	70	45	3
4	Our personnel deliver prompt and efficient service	1	20	75	50	4
5	Our personnel working in the service area provide excellent service	2	27	67	53	1
6	Our cashiers and till packers working in the checkouts provide excellent service	2	26	70	52	nil
7	Our management are visible and provide assistance	1	24	73	51	1
8	Our supermarket provides excellent service	nil	32	69	49	nil
Totals		8	229	554	395	14

Table 5.14 indicates the customer responses from the second customer service survey conducted. In this survey 554 responses chose the neutral component, while 395 disagree responses were recorded by the respondents. There were 225 agree responses from the respondents. It would be a better option to choose a 4 point Likert scale because it would force the respondents into a choice. In the above survey 554 responses were recorded in the neutral component.

An investigation was conducted to check the correlation between the 5 point Likert scale and the two point Likert scale (agree or disagree). The r^2 rating = 0.39 and the p value > 0.34 indicated that there was no relationship between the two forms of questioning.

5.3 FOCUS GROUPS (ENQUIRY 2)

The composition of the focus groups included two members of management from the operating units and eight customers regularly shopping at the supermarkets participated in this empirical investigation. A manager from a different operating unit facilitated the investigations. The main objectives of these interactions were to ascertain the participants' personal experiences and general feeling regarding the relationship between employee absenteeism and s in the participating supermarkets. Store management of the focus group were posed the following question: what their thought processes were about the main causes of absenteeism? The focus groups interviews were conducted at the following supermarkets on the 14th April, 2010.

- Pick n Pay Mountain Mill (Company 1: Store 1);
- Pick n Pay Somerset Mall (Company 1: Store 2);
- Pick n Pay Pinelands; (Company 1: Store 3);
- Elite Super Spar (Company 2: Store 4) and
- Pick n Pay Atlantis Family Store (Company 1: Store 5).

A full list of the items and questions which were discussed and responses appears for all participating stores in annexure A to E in the appendices.

5.3.1 The Evaluation Criteria for the Focus Group

The supermarkets management must build relationships with customers and find ways to improve their service quality and profitability. Therefore, the focus group was formed to discuss customer and employee interaction and services. The group comprised of various 8 customers and 2 management members from the operating unit. Their discussions included a number of topics relating to the participating supermarkets and its employees. The discussions were centred on main topics which in turn encompassed a number of specific questions. The facilitator posed the questions to the group for discussion. After discussing the questions, the group was required to rate these questions to determine if the employee service levels were adequate. The rating key is listed below:

Table 5.14 Focus Groups Scoring Key.

Very Poor	Poor	Average	Good	Very Good
1	2	3	4	5

Table 5.14 represents the focus groups scoring key. The group was told to rate the questions according to the table indicating the degree to which the group rated the employees in regard to their quality. The rating comprised of a scale from 1 to 5 with one being the lowest rating and five being the highest.

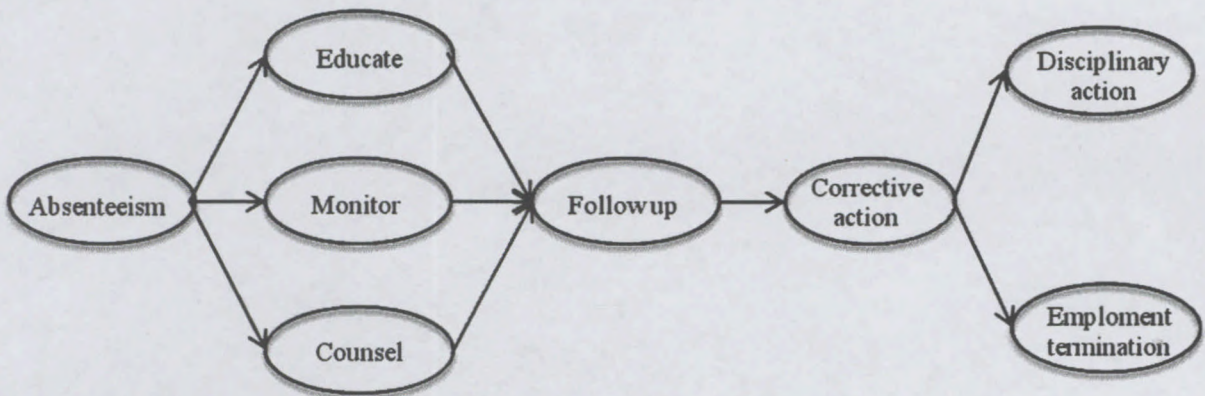
In the next section the ratings for all the questions and stores are given. The interpretations of the ratings were established by the researcher from their answers to the question they discussed.

Table 5.15 Evaluation of the Focus Groups for All Stores

Questions	Mountain Mill	Somerset West	Pinelands	Elite Super Spar	Trial Store
Technical Skills					
Employees have high level of knowledge	3	3	2	3	2
Employees are experts in their jobs	3	3	1	2	1
Employees are highly competent	3	3	2	2	1
Social skills					
Employees have extensive social skills	2	2	2	1	1
Employees are able to consider their customers perspective	2	2	1	1	1
Employee know how to treat a customer well	1	2	1	2	1
Motivation					
Employees show strong commitment to their job	1	2	1	1	1
Employees do their best to fulfil their customers needs	3	1	2	2	2
Employees are highly motivated	2	1	2	2	1
Decision Making Authority					
Employees are allowed to decide autonomously in customer matters	3	2	2	3	2
Employees have room for manoeuvring in customers problems	1	3	3	3	3
Customer request, employees don't need to ask their superiors	1	3	1	2	2
Customer Satisfaction					
I am satisfied with the service	2	2	2	2	2
Employees fulfil my expectations	1	2	2	2	2
Employees have never disappointed me so far	2	3	1	3	2
My experiences with the supermarket are excellent	2	3	2	3	3
Emotional Commitment					
I feel committed to the supermarket	3	3	4	4	4
My relationship with the employees is important to me	3	2	3	4	4
If the supermarket don't exist it would be a significant loss to me	3	4	4	4	4
I would turn a blind eye to a minor mistake of the employee	2	2	2	1	1
Customer Retention					
In future I will purchase most of my cosmetics at the supermarket	3	3	3	3	3
I am a loyal customer of the supermarket	3	3	4	4	4
My next account payment will be made at the supermarket	3	3	3	3	2
The supermarket is first choice to pay my domestic accounts	3	3	3	3	2

Table 5.12 indicates how the focus groups rated the participating stores during their discussion meetings for all topics and questions. According to the table the trial store received the lowest ratings in the technical, social skills and motivation topics of the questions. Mountain Mill store received the highest ratings by the focus groups in this categories. Complete transcriptions of the focus group interviews in the appendices:

Figure 5.3 Conceptual Frameworks for Absenteeism



Source: Steer, and Rhodes,(1984)

Figure 5.3 indicates the steps to be followed to curb absenteeism.

The process for managers to address absenteeism is five point action plan for achieving acceptable employee attendance. They are as follows:

Educate: Explain company attendance policy to all employees. Provide all employees with a written copy of the policy. Meet with individual employees who have chronic attendance problems and record all meetings and their content.

Monitor: Keep accurate employee records. Have a notebook handy to record daily employee attendance records. Observe and record which employees are late, leave early, or are absent.

Question the employee's on why they were late, absent, or left work early. Keep a record of the reasons.

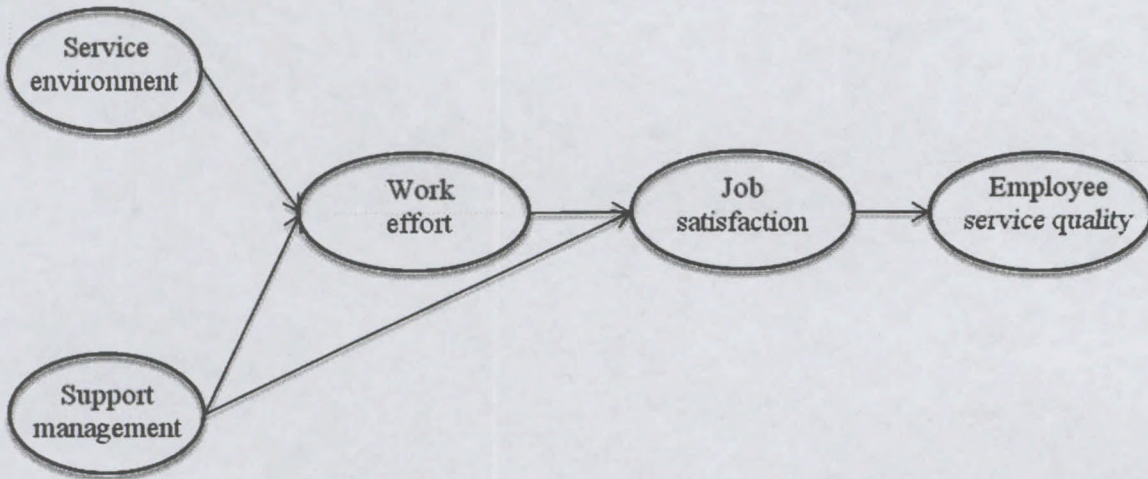
Counsel: Arrange meetings with employees with attendance problems. Enquire about their attendance problems and offer them assistance. Inform them about the company expectations and what has been observed regarding their attendance. Keep records of all counselling sessions.

Follow-up: If the behaviour occurs again request for a further meeting with a union representative and enquire about their poor attendance. If no information is forthcoming from employee, confer with the Human Resources department for guidance and support.

Corrective Action: Could lead to an enquiry for a mandatory offence which could result in termination of employment. Non mandatory offences could result in verbal warning, and written warning. Each step of the process must be recorded Steer, and Rhodes, (1984: 229).

There are several recommendations that can be drawn from the above literature for managing absenteeism. To control absenteeism in the workplace starts with a sound absenteeism policy that is incorporated into an employee handbook and discussed with the incumbent employee on his commencement of employment. The policy should define absenteeism and outline consequences for those who break the rules or whose absences become unacceptable Steer, and Rhodes, (1984: 235).

Figure 5.4 Conceptual Framework for Customer Services



Source: Yoon, Beatty & Suh (2001)

Figure 5.4 indicates the employee service quality in a supermarket environment.

Supportive Management: The Likert 2 and 5 point scale rating was used in the survey to address management for visibility and assistance. Cronbach's Alpha r^2 rating was 0.45 indicating that management visibility and assistance were non-existent. Yoon, Beatty and Suh (2001: 502) cited Brown and Leigh (1996) indicates that management's supportive approach at the workplace leans towards the safety and well-being of their employees;

Service Climate: A general overview from the focus groups was used to determine if the employees appeared to be happy in their workplace. Yoon, Beatty and Suh (2001: 502) stated that the service climate refers to employee behaviour for example practices, procedures and behaviour that are rewarded in a particular setting. The message to the employees is the importance of customer service to the company;

Work Effort: The customer service surveys, mystery shoppers and focus group instruments were used to check on the employees' work effort. According to Yoon, Beatty and Suh (2001: 504) employees' work effort or expenditure of energy is linked to job satisfaction. Employee energy

output in a low esteem job will result in low expenditure of energy, whilst the reverse will be true in employees that is satisfied with their jobs; and

Job Satisfaction: The customer service surveys, mystery shoppers and focus group instruments were used to check on employee's job satisfaction. The determinants were the Likert 2 and 5 point scale for the customer surveys and the mystery shoppers and focus groups determining criteria was performance on the job, accuracy, and speed of the employees. Customer respondents in the two customer surveys were asked to do their evaluations with previous encounters in mind with the employees when rating the questions. Arasli, Bavik and Ekiz (2006) cited Berry (1997) stated that the employees conduct and experiences in the work situation will determine job satisfaction.

Management of all participating stores in the focus group meetings were posed the question to describe their thoughts and the processes they followed to determine the causes and effects of absenteeism at their store. The participating stores focus groups management responses were as follows:

5.3.2 Mountain Mill's Management Responses

Mountain Mills management participating in the focus group discussions stated that many factors are present in why employees stay absent from work. Management indicated that the most common reasons and cause provided by employees are as follows:

- Managements lack of basic social skills and their inability to adapt their management style to motivate the employees to become productive. Their lack of management skills has led to the employees being verbally abused resulting in de-motivated staff absenting themselves from work;
- Wages and salary also serves as another aspect of absenteeism. Majority of the employees have been caught in the "debt trap" (having accounts at different stores) purchasing unnecessary items so that they are not left behind by society. After pay days absenteeism becomes high because the employees are unable to settle their monthly accounts trend to duck and dive their creditors;
- When management vacancies arise in the company and employees apply for the vacancies and are not successful, they become personal causing them to become negative towards the organisation. They become rebellious by staying absent from work;
- Large percentage (80%) of the staff indicate that working in a supermarket is not their ideal job and they won't go the extra mile in their jobs;
- The most common causes of absenteeism offered by management is drugs, child sick, employee sickness and HIV / AIDS;
- Heavily unionised environments lead to management being intimidated by union representatives because they lack knowledge about labour laws and the recognition agreement between the company and the unions; and
- Casual employees are not committed to the organisation because they are constantly in search for greener pastures.

5.3.3 Somerset Mall's Management Responses

Somerset Mall's management participating in the focus group discussions stated that many factors are present in why employees stay absent from work. Management indicated that the most common reasons and cause provided by employees are as follows:

Management stated that absenteeism has been an issue that has been a nightmare for managers and employers since the dawn of employment relations. It is not something that can be tested in an interview and it is not always easy to detect the real reason for the absence and when it constitutes abuse of time or sick leave. Sometimes it is caused by personal circumstances of the employee which is unforeseen. Whereas managers and employers often have compassion for personal circumstances and illness, this compassion disappears very quickly when misuse is suspected. If the employer experiences abuse of sick leave, certain measure and policies can be implemented to address this issue. One such measure is a caring discussion on the return of the employee. A return to work policy is one whereby employees are interviewed by their managers on returning to work. This makes them feel uncomfortable if they have been fraudulently ill, and it makes them feel cared for if they genuinely have been sick. Body language such as guilty looks, avoiding the discussion, vagueness or over defensiveness during such a discussion, must prompt the interviewer to start watching out for trends of abuse or problems. The worst strategy with sick leave abuse and frequent absence is to ignore it, hoping that it will disappear or sort itself out. More often that not, if absenteeism is left unattended, the frequency and period increases and it is often coupled with other misconduct such as fraud, late coming, poor performance, poor relations with other employees and insubordination.

Another problem is when employers have codes of conduct on sick leave, absence and abuse of sick leave, but those codes are not consistently applied by management. The application of these rules when loosely applied depends on the mood or attitude of the manager. Employees will surely abuse this sloppiness, causing a frequency of abuse. Most of the employees have the so called

“entitlement mentality” they feel that they are owed the sick leave and if they don't use it, they will lose it. Sick leave is not an entitlement; it is a benefit that the employee may apply for if the requirements policies of the employer are being met, such as a valid sick note. Abusing sick leave mount to fraud and can lead to employee dismissal.

5.3.4 Pinelands Management Responses

Pineland's management participating in the focus group discussions stated that many factors are present in why employees stay absent from work. Management indicated that the most common reasons and cause provided by employees are as follows:

Absenteeism relating to employees not showing up for work when scheduled is becoming can be a major problem for the store. As pressures increase on the budgets and competitiveness of companies, more attention is being given to reduce workplace absenteeism and its cost. They stated that most research conducted indicated that employee absence is a complex variable and that it is influenced by multiple causes, both personal and organisational. Absenteeism is becoming a leading cause of losses to the supermarket because management should adhere to and apply company policies, metrics to understand and manage absenteeism. The management cited Dr Lerato Motshudi, medical adviser at insurer Alexander Forbes Health, has consulted 60 South African employers to manage absenteeism, and found that many young workers tend to skip work days before or after weekends, or on public holidays. In addition, Motshudi stated that absenteeism numbers are higher in winter. Employers should initiate or use a system to monitor and analyse absent days by occupation, causes, and timing, health and wellness factors.

“Work absenteeism in South Africa is highest among young people and women, especially mothers during school holidays, say Dr Motshudi.” Managers must focus on the employees with high absenteeism and not victimise them, but to gain an understanding and develop interventions

to prevent the main causes and effects of absenteeism. Some of the impacts created by absenteeism are disruptions in work flow, system management, skills transfer, team coherence, loyalty, and culture. Absenteeism can be reduced when the absent workers are engaged sympathetically and if the situation is ignored, absenteeism increases. The company should outsource absenteeism management, and consult health and wellness specialists to help develop management methods to prevent loss.

Causes of absenteeism differ hugely between companies, and even between departments within supermarkets. Most workers do not understand their employment contracts, and rely on sympathetic managers to allow them time off work on a number of real or spurious pretexts. During general meetings, managers must clarify which religious holidays are counted as work holidays and which require application for leave, to be deducted from their annual leave. The Basic Conditions of Employment Act (BCEA) provide three days per year off on recognised religious holidays only. Workers should be told to plan their religious and family obligation leave in advance, assisting management to plan work flow and other measures. Leave, sick leave and absenteeism issues must be clarified in the company policy and mentioned in meetings and agreed to by employees. Department managers should continuously consult employees to iron out policy interpretation problems.

Constantly monitoring absenteeism allows department managers to uncover problems such as chronic diseases or compliance with health and safety legislation and performance standards. Managers or human resources officials should conduct meetings to discuss absenteeism with workers. Communication should demonstrate how absenteeism affects colleagues' workloads as well as their units' productivity and profitability. Solutions could include awareness of absenteeism records and third party monitoring. Employers have the right, in line with the Labour Relations Act, to warn employees, hold disciplinary hearings, investigate circumstances around absence, and try to accommodate individual circumstances.

5.3.5 Elite Super Spar's Management Responses

Elite Super Spar's management participating in the focus group discussions stated that many factors are present in why employees stay absent from work. Management indicated that the most common reasons and cause provided by employees are as follows:

Management indicated that for the vast number of employees (80%) absenteeism is not a serious problem. The cost of infrequent absence can add up in terms of resources, time, costs and productivity. Union members awareness of managements lack of knowledge about industrial relations and the regulations governing the recognition between company and union had resulted in the employees adopting tactics resulting in discipline becoming non existent Senior management must start implementing attendance management and sick leave programmes. These programmes must outline the several stages reflecting the seriousness with which employers view an employee absence from their workstations and the ultimate degree of absenteeism which employers consider unacceptable. These programmes should become common knowledge to all employees and when it is consistently enforced and equally applied by management it would prove effective. One of the most important things management should do when managing absent employees is to obtain medical information to verify the legitimacy of their absences, which unfortunately is not conducted consistently by most of the management. Attendance records are not reviewed regularly by management to ensure that an employee's sick leave records are excessively compared to other employees. Constant probing by the researcher revealed that no records of absent employee interviews were conducted by management at store level.

When the departmental managers were approached about the situation they provided the following reason for the circumstances:

- They were too busy and forgot to conduct the interviews; and
- Staff shortage due to absenteeism has resulted in them being unable to conduct interviews with returning sick and absent employees.

5.3.6 Atlantis Family Stores (Trial Store) Management Responses

Atlantis Family Stores management participating in the focus group discussions stated that many factors are present in why employees stay absent from work. Management indicated that the most common reasons and cause provided by employees are as follows:

Records from the wage and human resource departments indicate that employees are taking three or more days of sick leave from work without submitting a medical certificate of incapacity, and are paid by management. This information was in accordance to the import data received from the Human Resources systems. Management are not counselling the returning sick employees and recording their absence. They are not informed about the company requirements and procedures pertaining to sick leave. Employees are increasingly taking two or more incidents of sick leave adjacent to a weekend or a public holiday and are taking two or more incidents of sick leave within an eight weeks cycle without submitting medical certificate as proof of incapacity. Another perquisite that is not being adhered to by management is that returning sick employees are not counselled and no records are kept. Amongst the most common excuses used by the employees is that their child was sick and had to attend to their child therefore they were unable to attend work. Records from the Human Resources department indicated that the percentage of employees booking sick days a month is continually increasing. Back pain is a common result of work related injury which is costing the supermarket in terms of costs and productivity. Management also mentioned that influenza is one of the main causes of employee absenteeism at the store and addiction to drugs and other habits like gambling and alcohol abuse are other causes that are creating the rapid rise of absenteeism. The result of alcohol addiction causes hangovers in the morning which create absenteeism problems for the supermarket. Another common excuse used by employees is mental illness in the form of anxiety and personality disorders is increasing chronic absenteeism.

Chronic illness causes absenteeism, work related accidents and create personal problems for the company. Low morale and boredom amongst employee can cause a rush of absenteeism and some of the reasons provided for boredom could be caused by poor leadership, supervision and improper placement of employees in their positions.

Stress on the job is contributing to a high rate of health issues and overwork due to absenteeism contributes to stress. Stressed employees have low resistance to diseases and injury from minor accidents, causing more absenteeism. Management's approach towards their employees are creating disgruntled workforce with the employees resorting to a feeling of isolation amongst them, creating the approach "them against us." There are indications that there is an urgent need for management to undergo training in industrial relations and management programmes to develop their relationships with employees and customers.

5.3.7 Summary of All Management Thought Processes of Absenteeism

The above mentioned management reports indicate some of the most common causes of absenteeism experienced in the supermarkets and have been a issue that has become a nightmare for managers and employers. It is something that cannot be tested in an interview and easy to detect the real reason for absence when it constitutes abuse of working hours or sick leave. Personal circumstances of the employees are the leading trajectory in absenteeism which could be considered unfortunate because of the nature of the circumstances. Whereas, managers and employers often have shown compassion for personal circumstances and illness, but the compassion erode very quickly when abuse of the circumstances is suspected.

5.3.8 Summary of Focus Group Research Survey (All)

Analysis of the focus group discussions revealed that employees lacked competence in providing

superior service to customers. According to the focus groups about 10% of the employees in the participating supermarkets provide a service that goes beyond the call of duty while the others just do the basics or less. It was stated by the focus groups panel that employees offer customers a disservice with poor social skills and lack of job application while only 40 per cent of employees display traits that justify customer satisfaction. In addition, only 10 per cent of the employees are perceptive to the inclinations of customer queries whilst the vast majority due to lack of skills such as product knowledge, social skills and problem solving traits hinders, their ability to successfully address customer perceptions. Indications according to the focus groups are that management is experiencing difficulty in handling absenteeism and the most likely cause of this occurrence is that they are unskilled to handle human relations resulting in the escalation off absenteeism. According to the focus groups indicated that there is a variation in service quality between of different departments and stores and there is a noticeable tendency for different race groups employees to show different levels of commitment to service quality. Very often about 90% of non departmental employees when questioned about a product beyond their ambit are quick to side step the issue and their immediate response is to locate someone that is comfortable with the department. What stops the employee from listening to the customers query before side stepping the issue?

Moreover, the focus groups panel suggested that corrective behaviour is a very important trait to inform, educate and give the employees the opportunity to correct their shortcoming. Discipline must be applied if there is no improvement in the employee's behaviour. The most likely reason forwarded by the focus groups panel, about the reason why the supermarkets have repeat customers is because of the convenient location of the supermarkets. It has been repeatedly suggested by the focus groups panel that management of the companies participating in this study must urgently embark on training their employees in improving their social and services skills because about 70 per cent of the employees have no sense of urgency and they lack passion to carry out their jobs. A comment emerged from the groups that one of the bad habits of the employees is talking to their colleagues while attending to customers this trait could easily create mistakes and slow down the

transactions. It is imperative that the employees are made aware of the important role the consumer plays in the organisation because it seems that some employees do not have a clue about the importance of customers. This focus group investigation is linked to the research question do supermarket employees understand the impact of absenteeism on the organisation and customers. In the next section the mystery shoppers are discussed.

5.4 MYSTERY SHOPPERS (ENQUIRY 3)

The objective of the mystery shoppers was to gauge the role of employee participation in the exchange process between them and the consumer. Furthermore, the investigation assisted in ascertaining how employee absenteeism affects services. Five mystery shoppers were hired to conduct a study on the interaction between themselves and the participating stores employees. They were equipped with a questionnaire testing specific aspects of employee interaction with the customers. They had to rate all section of the questionnaire between 0% = disastrous and 100% = superb with verbatim responses included in the empirical investigation.

The general consensus among the mystery shoppers was that they were satisfied with the overall services provided with a few minor hiccups along the way in the five participating supermarkets. The investigations were conduct at 12h00 on 01st March and 16h00 on 11th May, 2010. The timeframe selected ensured that permanent were on duty at 12h00 and casuals were in attendance at 16h00. The mystery shoppers' investigations were conducted at the participating supermarkets:

Full transcriptions of the investigations are provided in the Appendix G - P.

5.4.1 Summary of Mystery Shoppers Scorecard (All)

The most frequent outcome that emerged from the mystery shoppers' scorecard is that staff members in the butchery department could not be identify by name because they did not wear name tags. According to the mystery shoppers there were too few or very lethargic staff members' assisting in the services areas because they had to stand in queues and service was very slow. The general tendency of the staff was to make eye contact with the customers but they do not offer a greeting or a smile to the customer and the assumption by the mystery shoppers was they were being served by robots. In addition, the impressions created by the employees were that they are working under pressure to perform under extreme conditions and this makes the customers feel unwelcome. According to the mystery shoppers, queues were most common in the frontline and bakery departments. The bakery department employees were the most rowdy in the supermarkets. This could be as a result of the management visibility being non-existent in the bakery. Another very common occurrence in the participating supermarkets is that expired stocks were not removed timorously from the shop floor.

The mystery shoppers stated that the most common occurrences amongst the various service department employees are that they offered no formal greetings to the customers. At the checkouts, the mystery shoppers indicated that the cashiers do not convey the total monetary amounts of the sales verbally to the customers. They also found that telephones are not attended to over the weekends; it was allowed to ring for more than twenty times before it was answered, this could as a result of short staff.

The mystery shoppers conducting the research at Somerset Mall indicated that although the supermarket was undergoing a revamp it was found that the cheese and fruit and vegetable section was very dirty. It was mentioned by the mystery shopper at the Pinelands store that there was a tendency amongst the employees to make eye contact with the customer but they did not greet or

smile and cashiers did not enquire if the mystery shopper had a vitality card (this card offered discounts on certain goods) and also cashiers do not convey the sales amounts to the customers. The bakery and butchery department staff from the Elite store were not friendly they did not smile or offer a greeting to the mystery shopper. The mystery shopper made enquiries about the following products foccassia bread, beef, lamb sausage, brown mushrooms and was told that the store was out of stock. The mentioned outcomes were the most common encountered by the mystery shoppers during their visits to the participating supermarkets. The service rating for the various departments are listed for March 2010 on Table 5.13 p.249 and May 2010 on Table 5.14.

Table 5.16 Mystery Shoppers' Scorecard Service % for all Stores (March 2010)

MYSTERY SHOPPERS SCORECARD MARCH					
	Pick n Pay Mountain Mill	Pick n Pay Somerset Mall	Pick n Pay Pinelands	Elite Super Spar	Pick n Pay Atlantis
Store Evaluation	N/R	N/R	100	80	100
Switchboard Evaluation	100	100	N/R	100	N/R
Frontline Evaluation	100	69.7	71.4	69.7	71.4
Service Evaluation	100	N/R	54.9	N/R	65
Product Freshness	100	N/R	100	N/R	94.3
Stock Availability	100	N/R	85	N/R	100
Queues	100	N/R	0	N/R	100
Overall Store Results	100	73	67.3	81.3	81.2

Table 5.16 indicate the mystery shopper's scorecard service percentages for all participating stores in March 2010 (12h00) when permanents were on duty. N/R refers to no percentage is recorded by the mystery shoppers on their scorecard. The mystery shoppers percentage applied 0 – 100% with 100% representing excellent and 0% representing very poor. According to Table 5.13 Mountain Mill received a100% (excellent) overall store result for March, while Somerset Mall received 73%, Pinelands 67.3%, Elite 81.3% and Atlantis 81.2%.

Table 5.17 Mystery Shoppers' Scorecard Service % for all Stores (May 2010)

MYSTERY SHOPPERS SCORECARD					
MAY					
	Pick n Pay Mountain Mill	Pick n Pay Somerset Mall	Pick n Pay Pinelands	Elite Super Spar	Pick n Pay Atlantis
Store Evaluation	N/R	N/R	100	80	100
Switchboard Evaluation	100	100	N/R	100	N/R
Frontline Evaluation	100	69.7	71.4	93	71.4
Service Evaluation	100	N/R	54.9	N/R	65
Product Freshness	100	N/R	100	N/R	94.3
Stock Availability	100	N/R	85	N/R	100
Queues	100	N/R	0	N/R	100
Overall Store Results	100	73	67.3	82.6	81.2

Table 5.17 indicate the mystery shopper's scorecard service percentages for all participating stores in May 2010 (14h00) when casuals were on duty. N/R refers to no percentage is recorded by the mystery shoppers on their scorecard. The mystery shoppers percentage applied 0 – 100% with 100% representing excellent and 0% representing very poor. According to Table 5.14 Mountain Mill received a 83% overall store result for May 2010, they were down on their service levels from March, while Somerset Mall received 73%, Pinelands 67.3%, Elite 81.3% and Atlantis 81.2%. The sub problems what procedures can be adopted to improve s and do the supermarket employees understand the impact of absenteeism on delivery and the organisation can be linked with the mystery shoppers' investigation. is a critical factor for keeping customers coming back and ensuring they prefer the organisation to the competitors. Employees competence and service levels create perceptions in the customer's mind about how well the organisation's employee's gets the job done becomes the determining factor that make them repeat customers. In the next section the analysis of the trial programme is discussed.

5.5 TRIAL PROGRAMME (ENQUIRY 4)

The Atlantis Family store participated in the trial programme for this empirical study. Secondary data obtained from the stores human resources departments indicate that this store had very high employee absenteeism figures. The trial store was selected because of the high absenteeism percentages from the five participating supermarkets for all six months in 2009.

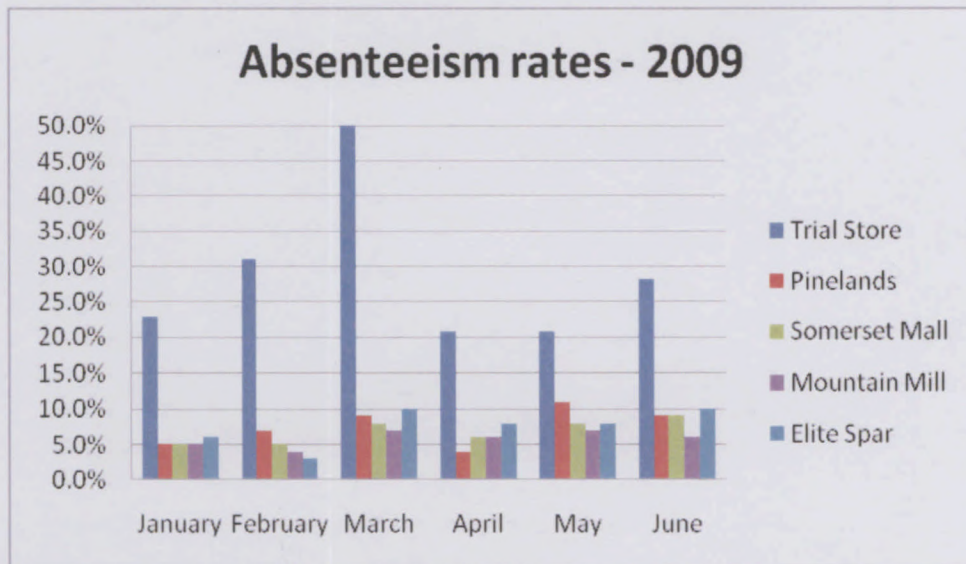
Table 5.18 Absenteeism percentage for all participating stores (2009)

All STORES ABSENTEEISM % JANUARY to JUNE 2009						
Stores	January	February	March	April	May	June
Elite Spar	6.00%	3.00%	10.00%	8.00%	8.00%	10.00%
Mountain Mill	5.00%	4.00%	7.00%	6.00%	7.00%	6.00%
Pinelands	5.00%	7.00%	9.00%	4.00%	11.00%	9.00%
Somerset Mall	5.00%	5.00%	8.00%	6.00%	8.00%	9.00%
Trial Store	23.00%	31.10%	50.40%	20.70%	20.70%	28.10%

Source: Participating Stores Human Resources Department

Table 5.18 indicates that the trial store's absenteeism per cent for all employees was consistently the highest for the months from January to June, 2009 with the month of March reaching a all time high of 50.4 per cent as a result of labour dispute between employees and management in the store. Mountain Mill's absenteeism figures averaged 5.8 per cent for the months January to June 2009.

Figure 5.5 Absenteeism rates for all stores in 2009



Source: Participating Stores Human resources Department

Figure 5.5 indicates the absenteeism percentage for all participating stores in each of the six months for the year 2009. This empirical study's trial programme was conducted over a six month period from January to June 2010 and data arising from this programme was compared with figures from the store over the same period of the year January to June 2009. One of the prerequisite of this trail programme was to convert all casual employees to a permanent status for a trial period of six months, because it is assumed that permanent employees will have a lower rate of absenteeism than casual employees. During this trial period all employees were allocated into two different groups, comprising of casuals and permanents. Furthermore, the employees started alternating between the early and late shifts on a rotational basis. The purpose of the trial programme was to ascertain which employment status had higher absenteeism numbers and to reduce the absenteeism percentage of the store. The trial stores incidents of absenteeism for 2009 is listed in the following page.

Table 5.19 Incidents of Absenteeism in the Trial Store (2009)

TRIAL STORE JANUARY to JUNE 2009			
2009	Absent	Present	Total Employees
Permanent	80	520	600
Casual	115	95	210
Total	195	615	810

Source: Trial Store Human Resources Department

Table 5.19 indicates the differences in the total number of present and absent employees between the permanent and casual workers in the trial store during the first half of 2009. The numbers presented indicate the total number of employees absent during January and June and the total number of employees present during the same six month period for the year 2009. The statistics indicate that 55% of the casual and 13% permanent employees were absent during the recorded period. In the next section the casual and permanent absenteeism percentages for 2009 are presented.

Table 5.20 Trial store's permanent and casual absenteeism % (2009).

Time frame	2009 TRIAL STORE					
	January	February	March	April	May	June
Permanent average absent percentage	9	12	25	7	8	11
Casual average absent percentage	14	19	34	14	13	17
Difference average percentage	5	7	9	7	5	6

Source: Trial Store Human Resources Department

Table 5.20 indicates the trial stores different employee status absenteeism percentages from January to June 2009. The statistics indicate that there is a difference between the two groups of employees with the casuals having higher absenteeism figures. The hypothesis addresses the data emerging from the trial store (Atlantis): is there a difference between permanent and casual absenteeism? The following hypothesis was tested:

- 1) H_0 : There is no difference between permanent and casual (VTE) absenteeism and;
- 2) H_a : There is a difference between permanent and casual (VTE) absenteeism.

The chi-square analysis was used to test for the following:

- Independence; and
- Differences.

Table 5.21 Chi-Square Test for the Trial Store (2009)

Chi-Square Tests - 2009			
	Value	Degrees of freedom	p-value (2-sided)
Pearson Chi-Square	146.0649	1	0.0001
N of Valid Cases	810	0	0
0, i.e. 0%, of expected values are less than 1			
0, i.e. 0%, of expected values are less than 5			
The minimum expected value is		50.556	
p-value < 0.0001			

According to the chi-square test in Table 5.21 the p -value is <0.0001 therefore H_0 (test of no difference) is rejected. Thus, there is a statistically significant difference in the number of absent employees between the permanent and casual workers in the trial store for the first six months of 2009 ($\chi^2 = 146,065$; p -value < 0.05). This exercise was subsequently repeated in 2010 and the results are as follows.

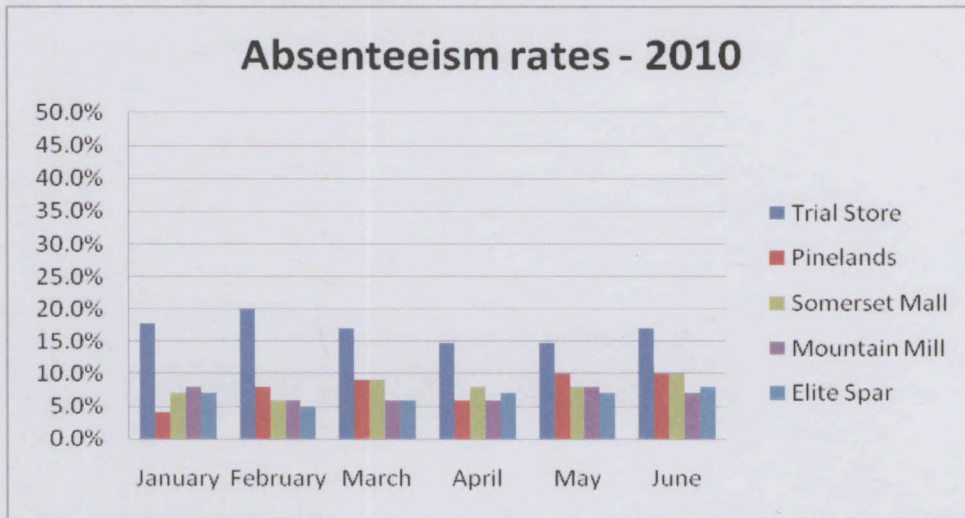
Table 5.22 Absenteeism % for all participating stores (2010)

All STORES ABSENTEEISM % JANUARY to JUNE 2010						
	January	February	March	April	May	June
Trial Store	17.80%	20.00%	17.00%	14.80%	14.80%	17.00%
Pinelands	4.00%	8.00%	9.00%	6.00%	10.00%	10.00%
Somerset Mall	7.00%	6.00%	9.00%	8.00%	8.00%	10.00%
Mountain Mill	8.00%	6.00%	6.00%	6.00%	8.00%	7.00%
Elite Spar	7.00%	5.00%	6.00%	7.00%	7.00%	8.00%

Source: Trial Store Human Resources Department

Table 5.22 indicate that the trial store's absenteeism percentage for all employees was consistently the highest for the months January to June, 2010 with the month of February reaching a all time high of 20 per cent. Elite Super Spar's absenteeism figures averaged 6.7 per cent for the months January to June 2010. The next section indicates the bar chart on absenteeism percentages for all participating supermarkets for 2010.

Figure 5.6 Absenteeism percentages for all participating stores (2010)



Source: Participating stores H.R.

Figure 5.6 indicates the absenteeism percentage for all participating stores in each of the six months for the year 2010. The graph indicates that the trial stores absenteeism percentage for the months from January to June was consistently the highest for 2010. It never the less still returns the highest absenteeism figures amongst the participating stores The trial stores incidents of absenteeism for 2010 is listed in the following page.

Table 5.23 Incidents of Absenteeism in the Trial Store (2010)

TRIAL STORE JANUARY to JUNE 2010			
2010	Absent	Present	Total Employees
Permanent	35	565	600
Causal	23	187	210
Total	58	752	810

Source: Trial Store Human Resources Department

Table 5.23 indicates the differences in the total number of present and absent employees between the permanent and casual workers in the trial store from January to June of 2010. The numbers presented indicate the total number of employees absent during January and June and the total number of employees present during the same six month period for the year 2010. The statistics indicate that 10.9% of the casual and 5.8% permanent employees were absent during the recorded period. In the next section the casual and permanent absenteeism percentages for the trial store (2010) are presented.

Table 5.24 Trial Store's Permanent and Casual Absenteeism % (2010).

Time frame	2010 TRIAL STORE					
	January	February	March	April	May	June
Permanent average absent percentage	6	9	6	5	5	4
Converted Casual average absent percentage	12	11	9	10	11	13
Difference average absent percentage	6	2	3	5	6	9

Source: Trial Store H.R. Department

Table 5.24 indicates the employee absenteeism percentages from January to June 2010. These figures are representative of when all casual employees were converted to permanent status. Regardless of the employee status the table indicate extremely high absenteeism figures, higher than the management's desired three per cent. An analysis was conducted on the absenteeism percentages for the trial store for the years 2009 and 2010 to determine if there was a decrease in absenteeism. In the next page the chi-square test for the trial store for 2010 is presented.

Table 5.25 Chi-Square Test for the Trial Store (2010)

Chi-Square Tests 2010			
	Value	Degrees of freedom	P value (2sided)
Pearson Chi-Square	81.0413	4	0.0001
N of Valid Cases	6121	0	0
0, i.e. 0%, of expected values are less than 1			
0, i.e. 0%, of expected values are less than 5			
The minium expected value is		67.873	

Table 5.25 indicates the chi-square test the p -value is <0.0001 therefore H_0 (test of no difference) will always be rejected for 2010. Thus, there is a statistically significant difference in the number of absent employees between the permanent and casual workers in the trial store for the first six months ($\chi^2 = 81, 0413$; p -value < 0.05). Thus, indicating that there is a difference in casual and permanent employees. The analysis to determine the difference between 2009 and 2010 absenteeism percentages for the trial store is listed in the next page.

Table 5.26 Trial Store's 2009 and 2010 Employee Absenteeism %.

	January	February	March	April	May	June
Absenteeism % 2009	23	31	50	21	21	28
Absenteeism % 2010	18	20	17	15	16	17
Difference	5%	11%	33%	6%	16%	11%

Source: Trial H.R. Department

Table 5.26 indicate the trial stores employee absenteeism per cent for the 2009 and 2010. The statistics in the table indicate that there is a difference in the employee absenteeism figures for the periods January to June 2009 and 2010. There are indications that staff absenteeism decreased during the trial programme in 2010 by 12.1 per cent. The average absenteeism figures was 29.01 percent for January to June 2009 and the average for the corresponding period 2010 was 16.91 percent. Table 5.23 indicate that there is a significant decrease in absenteeism rates from 2009 to 2010 in the Trial Store. Listed below is a graph indicating permanent and casuals 2009 and 2010 converted casual's absenteeism figures.

Figure 5.7 Permanent and Casuals 2009 and Converted Casuals 2010 Absenteeism

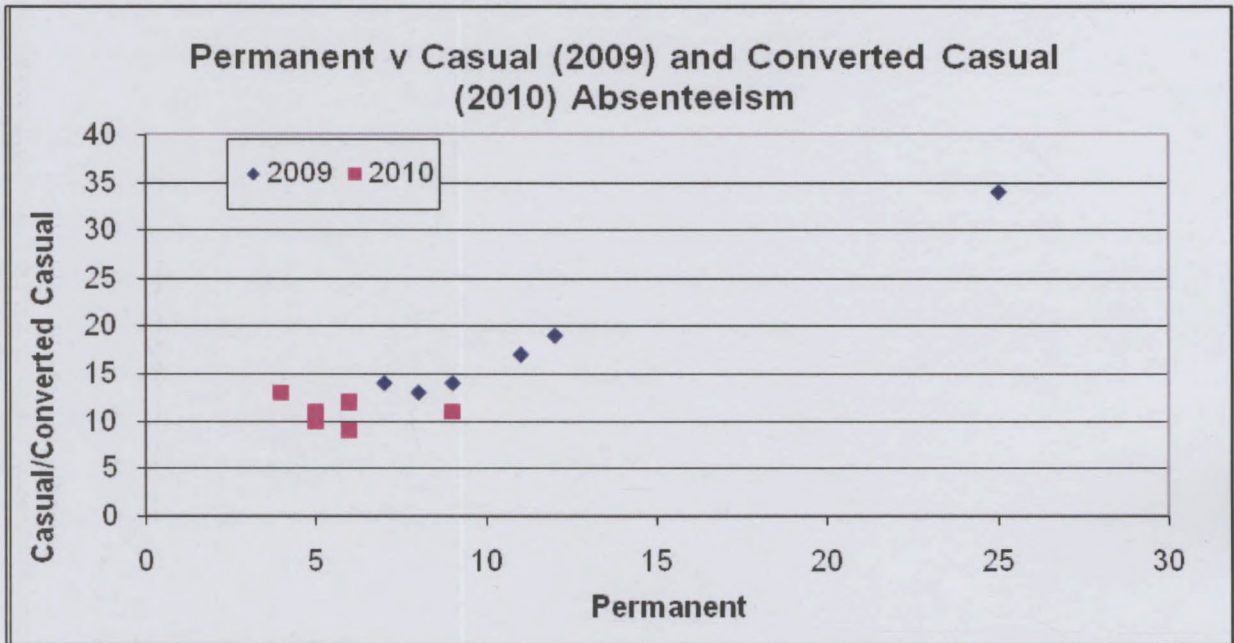


Table 5.7 indicates the 2009 and 2010 employee absenteeism figures for the trial store. The graph indicates that the June 2009 absenteeism figure is extremely high because this is the result of the employee strike the company was experiencing. The April and May 2009 figures are high as a result of the negotiations being conducted for wage increases between management and union representatives. The situation at work was very tentative and talks about strikes were very common. The graph also indicates that there is a very slight decrease in absenteeism between the 2009 and 2010 figures.

Figure 5.8 Permanent and Casuals 2009 and Converted Casuals 2010 Absenteeism Excluding Strike Month

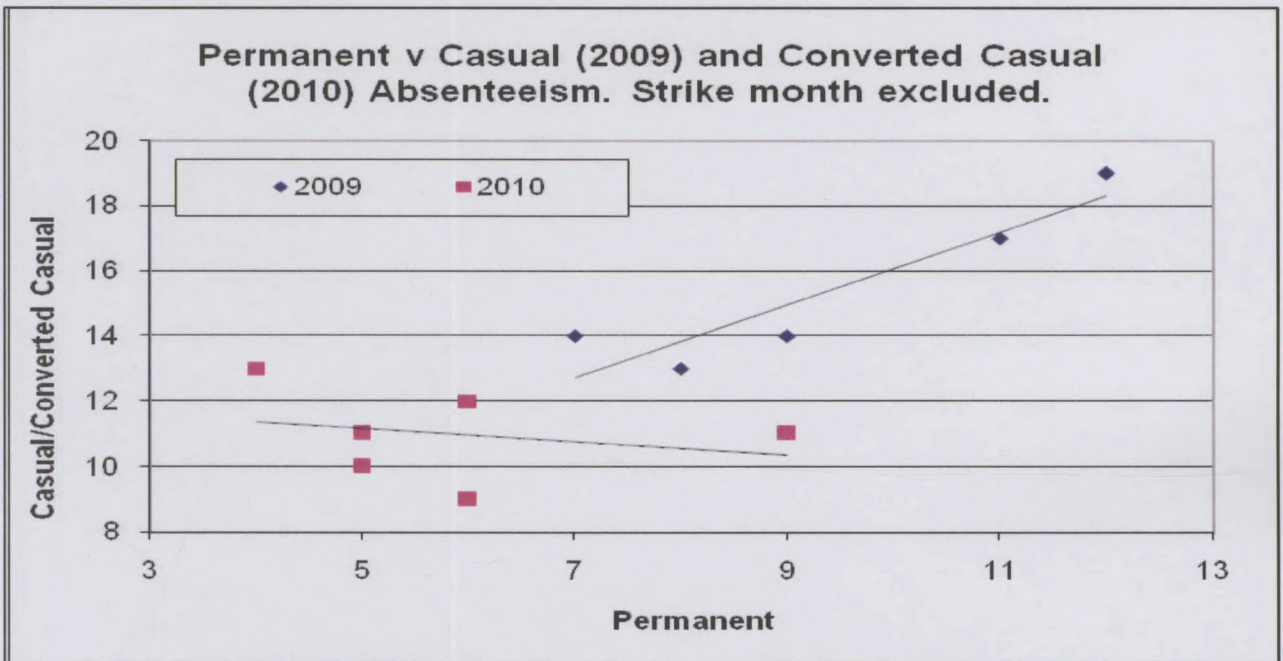


Figure 5.8 indicates the absenteeism figures for 2009 and 2010 absenteeism figures for the trial store. The 2009 graph excludes the strike month's absenteeism figures. A comparison between January, February and March 2009 and the trial period for 2010 shows very little difference in absenteeism between this timeframe. The test of no difference in absenteeism between 2009 and 2010 was conducted using a *t*-test for unequal variances. First an F-test was used to test whether the variance of the percentages absenteeism for 2009 can be assumed to be equal to the variance of the percentages absenteeism for 2010. This F-test showed the variances do differ significantly ($F_{5,5} = 33.211, p < 0.01$). Since the variances of the absenteeism percentages differed significantly the *t*-test to be used should be the *t*-test for unequal variances.

The hypothesis tested the following:

- 1) H_0 : There is no difference in absenteeism between 2009 and 2010;and
- 2) H_a : There is a significant decrease in absenteeism from 2009 to 2010.

The result of the t-test is represented below in table 5.24.

Table 5.27 Results of T-Test

The T-test testing for the differences in absenteeism percentages between 2009 and 2010

	2009	2010
Mean	29.01%	16.91%
Variance	1.27%	0.04%
Observations	6	6
t Stat	2.592	
P(T<=t) one-tail	0.024	
t Critical one-tail	2.015	

Table 5.27 indicate that the null hypothesis H_0 test of no difference is rejected and thus indicating that there is a significant decrease in absenteeism from 2009 to 2010 (df = 5; t-value = 2.592; p-value < 0.05).

5.5.1 Regression Analysis of Variance Tables

Two types of analysis were conducted:

- "A" = Year; and
- "B" = Type.

In term "A" (Year) the 2009 mean was 12.4 with a count of 10 and standard error of 0.611616. While the 2010 mean was 8.416667 with a count of 12 and a standard error of 0.5579117. In term "B" (Type) the casual mean was 13.2 with a count of 11 and standard error of 0.5827197, while the permanent mean was 7.616667 with a count of 11 and standard error of 0.5827197. Alpha is significant at 0.05. Thus, indicating that there is a significant difference in both the tested terms (Year and Type).

Figure 5.9 Means Plot for Year

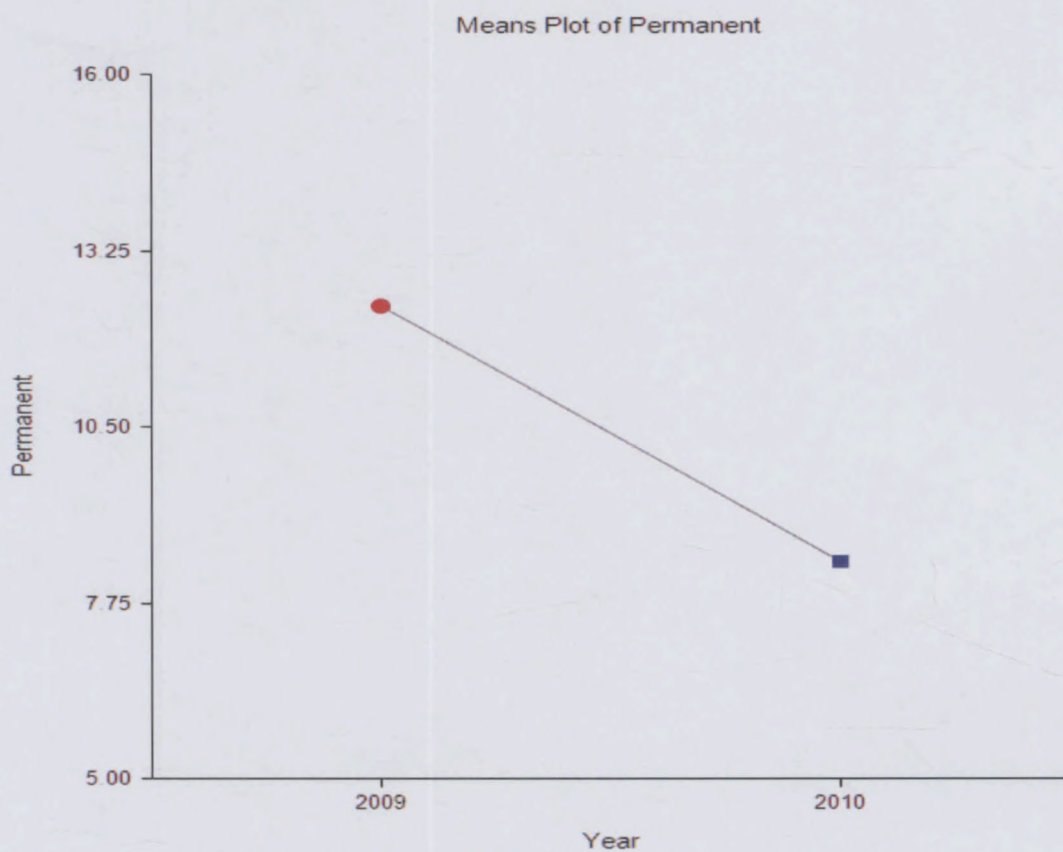


Figure 5.9 plots the absenteeism mean percentages for year 2009 and 2010. In 2009 the mean was 12.4 with a standard error of 0.6116 and for 2010 the mean was 8.4 with a standard error of 0.58. Thus, indicating that there is a significant difference in absenteeism between 2009 and 2010.

Figure 5.10 Means Plot for Type

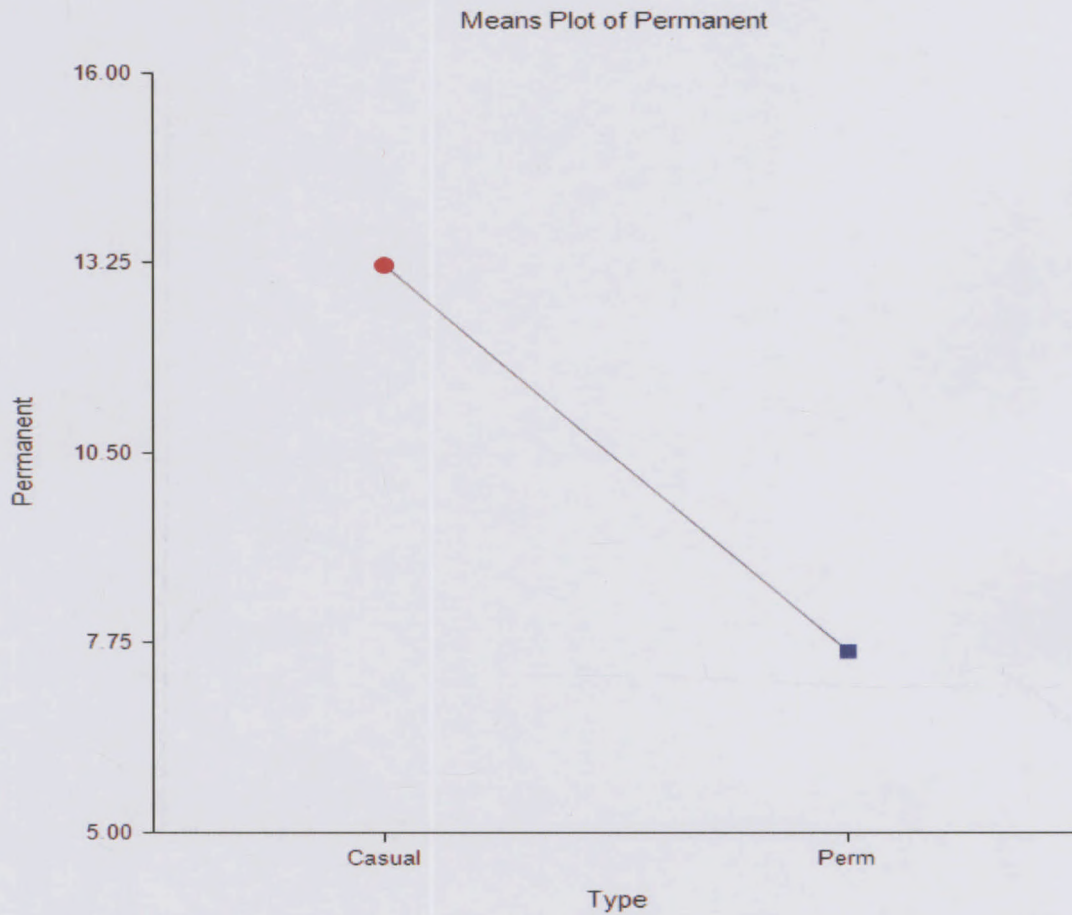


Figure 5.10 plots the absenteeism mean percentages for types permanent and casuals. In the above plot the casual mean was 13.2 with a standard error of 0.582 and the permanent mean was 7.616 with a standard error of 0.582. Thus, indicating that there is a significant difference in absenteeism between the casual and permanent employees. In 2009 the mean for casuals was 15.4 while the permanents were 9.4. In 2010 the mean for casuals was 11 and permanents was 5.83. Thus indicating that was a gradual decrease in absenteeism.

Figure 5.11 Means Plot of Permanent and Casuals (Year)

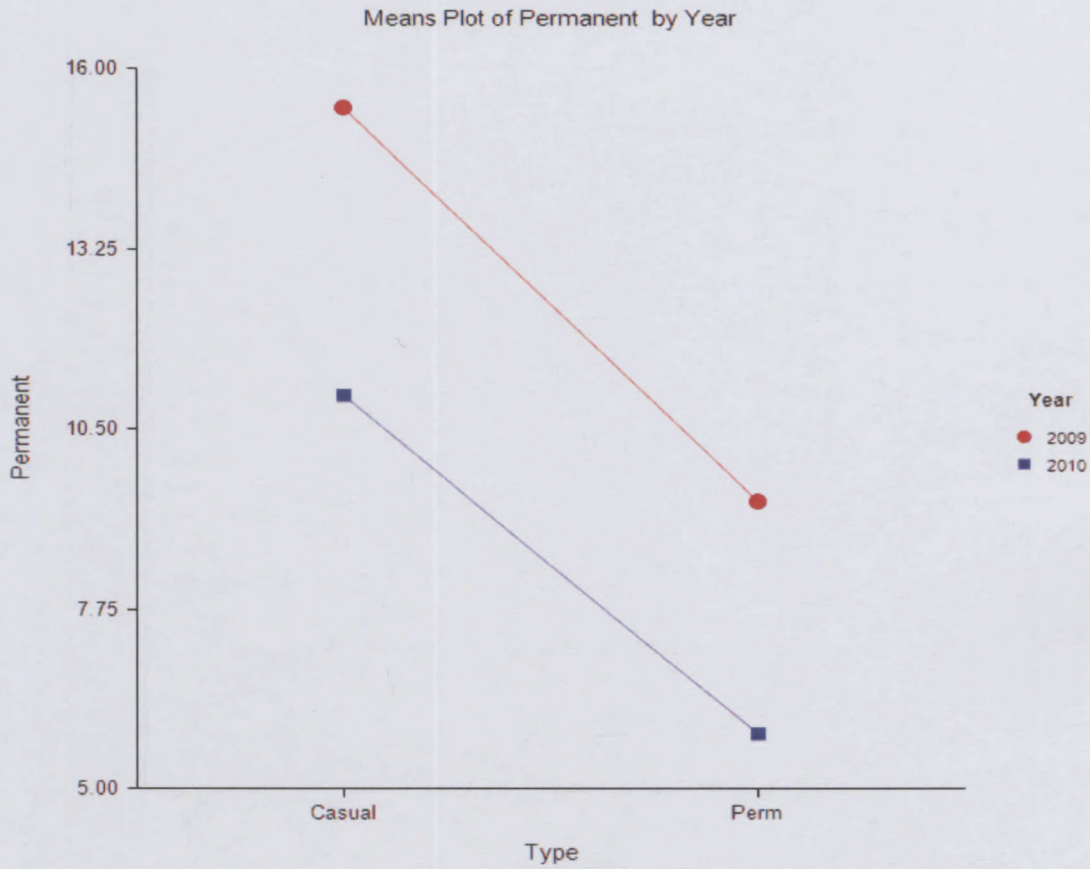


Figure 5.11 plots the absenteeism mean percentages for years 2009 and 2010 separately. In the above plot the 2009 mean was 12.4 with a standard error of 0.6116 and the 2010 mean was 8.4 with a standard error of 0.5578. The plot indicates that the permanent employees have a lower absenteeism than the casuals for 2009 and 2010 and there was a gradual decrease for the groups during this timeframe. Thus, indicating that there is a significant difference in absenteeism between the casual and permanent employee absenteeism ($p < 0.05$ for 2009 while the difference for 2010 was not present $p > 0.05$).

Figure 5.12 Means Plot of Permanent and Casuals (Type)

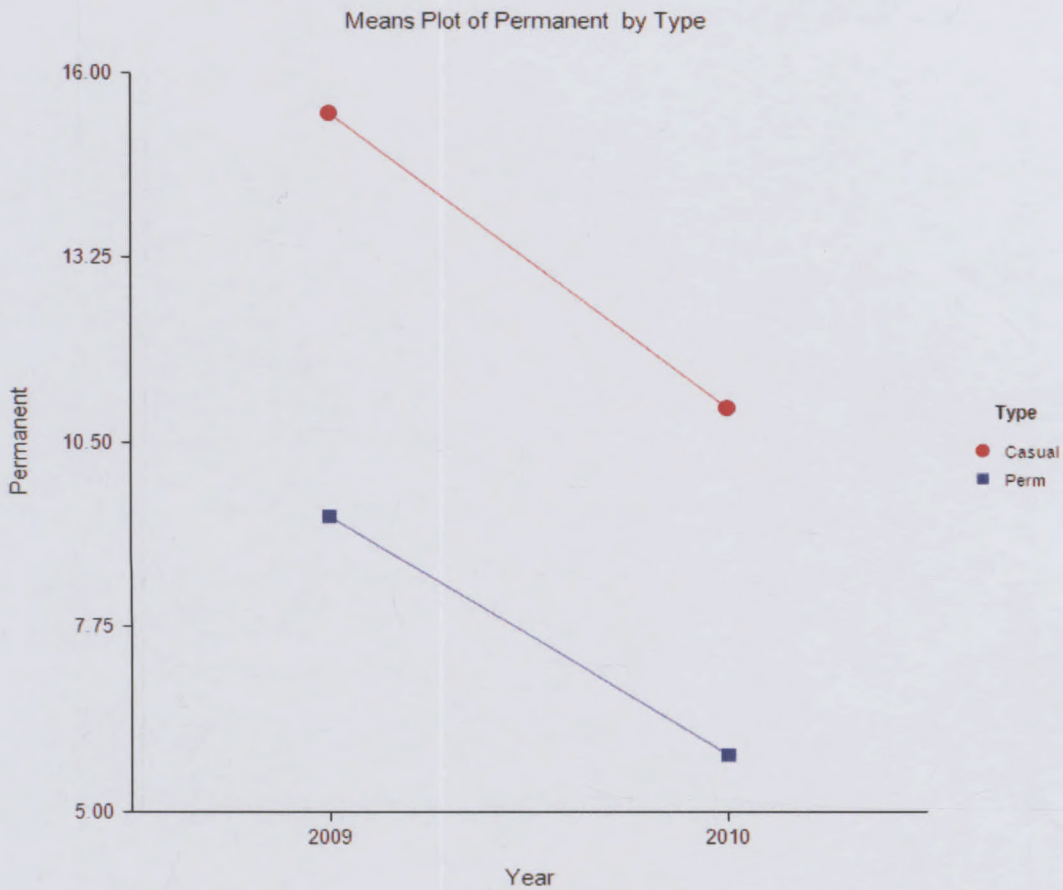


Figure 5.12 plots the absenteeism mean percentages for permanents and casuals employees separately. In the above plot the casual mean was 13.2 with a standard error of 0.5827 and the permanent mean was 7.6 with a standard error of 0.5827. The plot indicates that the permanent employees have lower absenteeism than the casuals for 2009 and 2010 and there was a gradual decrease for the groups during this timeframe. Thus, indicating that there is a significant difference in absenteeism between the casual and permanent employees for 2009 and 2010.

5.5.1 Analysis of Trial programme

The results of this empirical study can be linked to absenteeism and employment status. The chi-square test for independence and differences indicate that for both years 2009 and 2010 there is a statistically significant difference in the absenteeism numbers between the permanent and casual workers in the trial store. Indications are that the trial store has the highest absenteeism numbers and percentages amongst the participating stores for the years 2009 and 2010. A comparative comparison to all participating supermarkets 2009 and 2010 absenteeism percentages indicates that there is a decrease in percentages especially for the trial store in 2010 (Table 5.26), it was established that three positives have emerged from this research. They are as follows:

- That the converted casuals still have higher absenteeism than the permanents;
- The conversion of casuals to permanents was only slightly successful; and
- There is an insignificant difference in casual absenteeism in the trial store.

Empirical results indicate that the research and sub research questions were answered. The empirical evidence indicated that there is a significant difference in all the research and sub research questions. Although there was a significant decrease in the absenteeism figures for the trial store during the trial period, management deemed that they would revert back to the normal status quo, as the benefits were not extremely significant. According to Adams (interviewed: 02/07/2010) the drop in the employee absenteeism percentages did not justify converting all casuals to permanent. The perks (sick pay, leave, pension fund contributions) afforded to the permanents outweigh the drop in the absenteeism percentages. The findings above therefore indicate that there is a statistically significant relationship between the status of an employee (permanent vs casual) and the level of absenteeism. If an employee is appointed as a permanent worker, he / she will be absent less frequently. In the end finances are deemed to have higher value for store management.

CHAPTER 6

DISCUSSION AND RECOMMENDATIONS

6.1 INTRODUCTION

The primary aim of this chapter is to provide an insight, profiling the employment status as a driver of absenteeism and s in the five participating supermarkets. According to the participating supermarket managers, absenteeism is becoming a major problem and is disrupting service delivery in their supermarkets. In addition, secondary data obtained from the various human resources and wage departments confirm this phenomenon. A wide range of literature about absenteeism originating from various parts of the world was consulted to obtain a broader perspective of absenteeism and to assist this study in finding solutions to the research question. This study endeavoured to establish if absenteeism is rife in supermarkets and which employee's status has a higher absence rate. In seeking solutions to the research problem a list of sub problems developed and was also addressed in the study:

Main Research Question

- Does employment status influence absenteeism and customer services?

Sub Research Questions

- Which employee status has a higher impact on absenteeism and customer services?
- Is there a difference between full time and casual absenteeism?
- Is there a difference between casual 2009 and 2010 figures?
- Is there a difference how customers rate the employees from the various stores? and
- Is there a difference between day time and evening employees in regards to services?

Quantitative and Qualitative empirical research methods were used to acquire primary data for this study. The following research methodology was used in this study:

Surveys (Enquiry 1)

The objective of this enquiry was to obtain facts and opinions from five hundred respondents from the five participating supermarkets. The surveys for this study were conducted at stores with high absenteeism figures and were administered at different timeframes when the permanents and casuals (VTE) employees were on duty. The consumer managers from the participating stores were assisted by the store managers and the researcher administered the surveys. The size of the sample was $N = 500$ customers shopping at the five participating supermarket and every attempt was made to equalise the number of surveys conducted in the morning and afternoon. The customers were randomly selected and their profiles included gender, age, ethnicity, race, income and education.

According to the results of the surveys more than 50 per cent of the respondents interviewed disagreed with 7 of the 8 questions presented in the trial store. Therefore an assumption is made that it appears that the high absenteeism numbers in the trial store has impacted delivery. The total results of the remaining participating stores survey indicated that more than 50 per cent of the respondents agreed with the majority of the questions in the survey. Therefore, it could be assumed that the lower absenteeism numbers in the other participating stores may have impacted on the improvement of the results. The findings also indicated that more than 60 per cent of the respondents findings in the trial store are contrary to the findings of the remaining stores. Therefore it can be stated that it appears that the higher absenteeism numbers has impacted on these findings.

- **Focus Groups (Enquiry 2)**

A group of 10 individual with similar interest participated in discussions about the employee service quality levels and their responses of specific work situations. The focus groups estimated that only 10 per cent of the employees in the participating stores go beyond the call of duty and the

rest of the staff just do the basics or less. The panel also stated that the employees offer the customers a disservice with poor social skills and their lack of job application. The Atlantis focus group indicated that the most likely reason for the store having repeat customers is because of its convenient location. The focus groups indicated that a common occurrences amongst the employees was their habit of talking to their colleagues while attending to the customers. This leads to slowing down of the transactions and mistakes occurring.

- **Mystery Shoppers (Enquiry 3)**

They are hired personnel posing as normal customers, mandated to perform specific tasks such as purchasing products and questioning the employees about products on sale and their application. After the completion of their specific tasks they submitted a detail report outlining their experiences to their employers. Some of the most frequent outcomes listed from their visits to the participating stores are listed below:

- Staff members had no name tags and could not be identified by name;
- There were too few staff members assisting in the service areas;
- Staff made eye contact with the customers but offered no formal greetings;
- Long queues were common in the front line and bakery; and
- Management visibility in the bakeries was non existent.

- **Trial Programme (Enquiry 4)**

Statistics (T.5.19.) indicate that the trial store recorded the highest absenteeism numbers compared to the other participating stores. It has become evident that certain factors such as personal problems, drug abuse, influenza were contributing to the trial stores high absenteeism numbers. Imbalances in the staffing levels caused by absenteeism as indicated in this study leads to

employees working under pressure and stress which might have lead to the absence of cordial responses towards the customers. A trial programme was conducted with the objective of converting all casual employees to temporary permanent status for a period of six months. The intention of this programme was to reduce and acquire solutions to the absenteeism phenomena. The Pick n Pay Atlantis Family supermarket was selected as the trial store because of there high absenteeism numbers for the year 2009 amongst the five participating stores (T. 5.15 p. 251). Secondary data obtained from the Atlantis store's Human Resources Department indicated that the casual (VTE) employees had the highest absenteeism figures from January to June 2009 (T. 5.17. p.254). The requirement for this trial programme was to convert all casuals (VTE) to temporary permanent employees for a period of six months. The trial period was duly conducted from the 1st January to 30th June 2010 at the Pick n Pay Atlantis Family supermarket. The objective of this programme was to try and reduce the absenteeism rate and thus improve delivery in the supermarket. Management of the trial store indicated that if the absenteeism rate did not reduce to below 3 per cent during the trial period, allowances were in place to revert the temporary permanent employees to casuals.

Management were informed that they must keep accurate records of employee absence to identify the size and costs of the absenteeism problem. Their absenteeism figures could be verified with the Human Resources department's data. The employee absent records must indicate the duration of absence, cost of the sick leave and type of illness. A return to work interview must be conducted with the returning sick/absent employee. Management must take action against employee contravening the company policies.

Two sets of null hypothesis were tested for the trial store. The first null hypothesis tested for difference in absenteeism between permanent and casual absenteeism. According to the chi-square tests the p-value is <0.0001 and the hypothesis is rejected. Thus, indicating that there is

a statistically significant difference in absent employees between the permanent and casual staff with the casual staff displaying higher absenteeism numbers.

The second tested the null hypothesis for difference in absenteeism between 2009 and 2010. The null hypothesis was rejected (p.262), thus indicating that there is a statistically significant decrease between the 2009 and 2010 absenteeism numbers (higher absenteeism numbers in 2009).

The conversion of casuals to temporary permanent employees did not materially achieve the desired results (3%) as indicated in Table 5.21. The converted casual's absenteeism figures for January to June 2010 averaged 11 per cent. While the permanent absenteeism average figures for the same period was 6 per cent. The total average employee absenteeism figure for the same period was 16.9 per cent. An average decrease of 12 per cent was attained between 2009 and 2010 total absenteeism per cent for the store. The average absenteeism difference between the two groups for the same period 2010 was 5 per cent. The average absenteeism for the trial store for the said period is 9 per cent.

Although there was a significant decrease in the absenteeism figures for the trial store during the trial period, management stated that they would revert to the normal (temporary permanents to casuals). The reasons provided by Adams (interviewed 02/07/2010) that the company perks (sick pay, leave pay, pension fund contribution) afforded to the permanents outweighed the drop in the absenteeism percentages. It is apparent though, that converting casuals to permanent employees has a statistically significant effect on absenteeism

6.2 DISCUSSION OF THE STUDY

6.2.1 Causes of customer dissatisfaction with services

Based on the empirical findings of this study and in view of the qualitative and quantitative nature of this study, the objective was not to compare the findings of the empirical research methods but to strengthen the results of the study. Some of the resolves in this study was to reduce absenteeism, ascertain which employee status has higher absenteeism, to improve customer and employee interaction and make training and development a core value of the organisation. Singh (2008:67) stated that absenteeism is a major cause of poor service in supermarkets and as a result creates dissatisfaction among customers. Prior to the promulgation of SD9 legislations, casuals (as they were then known) (VTE) were not granted any employee benefits such as sick pay, annual leave. The promulgation of SD9 legislation saw the introduction of employee

benefits for the casual workers (VTE) such as sick pay and annual leave which is calculated at a fraction of their hours worked. With the introduction of this act, employee absenteeism rate escalated in the supermarkets. The statistical analysis conducted in this study indicates that there is a statistically significant difference in the levels of absenteeism between the permanent and casual employees.

6.2.2 Absenteeism

Absenteeism is the term generally used to refer to unscheduled employee absences from the workplace. Most causes of absenteeism are legitimate for example personal illness or family issues. Other forms of absenteeism can be traced to factors such as a poor work environment or lack of commitment to the job by the employee. Excessive absenteeism impacts the business operations and profitability of the organisation causing strain on management's ability to

effectively plan for those unexpected absenteeism. The consequences of unexpected absenteeism cause the organisation to hire temporary workers or pay overtime to their regular workers to cover labour shortfalls. Some companies may also employ a higher employee numbers in anticipation of employee absences. The costs associated with absent employees are in the area of sick leave benefits (provided that the company offers such benefits). The other cost factors associated with absenteeism are as follows:

- Lost productivity of the absent employee;
- Overtime for other employees to fill in;
- Decreased overall productivity of absent employees;
- Costs incurred to secure temporary employees;
- Possible loss of business;
- Dissatisfied customers; and
- Problem with employee morale.

The absenteeism costs can be controlled if supervisors manage and discourage employee absenteeism this encouragement will be worth the effort. However many small businesses do not have absenteeism policies in place resulting in employees abusing the sick leave cycle. While other employers with only a few employees, remain under the notion that it is not necessary to have absenteeism policies, because it is too much of a hassle to monitor. This act of ignorance assists the employee in the promotion of absenteeism at the work place. Companies with absenteeism policies in place can give employers added legal protection from employees who have been dismissed or disciplined for absenteeism from Council for Conciliation Mediation and Arbitration (CCMA). Changing the company culture and policy has been cited by various authors in chapter 2 of this study to be effective weapons in reducing absenteeism. From the preceding discussion it is clear that absenteeism amongst employees ought to be an important priority

because of its detrimental consequences to any organisation. In conversation with management it was mentioned as a passing comment that the supervisors are often uncomfortable or unwilling to report on those who have exceeded acceptable levels of absenteeism. This is because of the many pressures on supervisors such as staff shortages, assisting the customers, results in the non implementation of absenteeism policies. It is important to manage and ensure fairness to all employees and is not addressed in an inconsistent manner. This could lead to low morale amongst employees, because the employee might feel that they have been unfairly treated. While the other employees might perceive that the absent employees are "getting away with it." The consensus amongst the majority of employees indicates that they appreciate policies and programmes that are facilitative, rather than punitive.

Punitive measures forces employees to come to work which could result in employees becoming "absent from their workstations while at work," and the employee do as little as possible resisting any effort to do more than their share of work. While other programmes such as flexible work scheduling, job sharing, attendance awards and wellness programmes could be implemented to motivate employees to be at work. Various authors (see Chapter 2) indicated that frequent absence from the workplace may be indicative of poor morale amongst the employees because of various abstract situations facing the employee at the work place.

However, many employers have implemented absence policies which make no distinction between absences for genuine illness and absence for inappropriate reasons resulting in the abuse of the sick leave policy by the employees. Sick leave is calculated taking the total number of absent days and frequency of absences into account, not the kind of absence. With this afore mentioned sick leave system in place many employees feel obliged to come to work while ill, and transmit communicable diseases(tuberculosis, HIV /AIDS, respiratory infections, malaria, measles, meningitis and pneumonia) to their co-workers to maintain their sick leave balances in tact. This leads to presenteeism and reduced productivity among other workers who try to work while ill.

Employers often accept absenteeism caused by genuine medical reasons and when the worker produces a doctor's note or other form of documentation. Sometimes, workers choosing not to show up for work and do not call in advance are considered by businesses to be unprofessional and inconsiderate. The question remains; what process and methods should be implemented to measure absenteeism? Absenteeism policies are useless if management does not implement and maintain an effective system for tracking employee attendance. Some companies are able to track absenteeism through existing payroll systems that can:

- Keep an accurate count of individual employee absences;
- Tabulate company wide absenteeism totals;
- Calculate the financial impact that these absences have on the business;
- Detect periods when absences are particularly high; and
- Differentiate between various types of absences.

Employee attendance tracking is a common practice in almost all organizations. The methods used by organizations for tracking attendance vary from one organization to another, while some of these methods are more effective than others and hence, causes the organization to have more effective HR operations. The tracking of employee attendance is highly important for organizations in order to maintain their performance standards. Creating an attendance policy and then working towards maintaining that strategy and making the employees follow that policy is very employee absence. It is through tracking the absence of employees that organizations can move on towards knowing the causes and reasons for this phenomenon. Through employee tracking all the causes of absenteeism can be looked into and there is likelihood that managers can solve employee problems. Employee tracking can contribute towards performance management and which could lead the manager in the direction that is creating difficulties in the employee's performance. There are numerous important reasons for organizations to keep track of employee attendance because it helps managers establish trends and patterns of important for effective attendance management.

Whilst these facts might be true, Atlantis residential area was built because there was a shortage of housing in Cape Town. The residents in desperation to secure homes did not give a thought about the circumstances surrounding Atlantis. The residents of the area had to travel long distances to work. They had to leave home early in the morning and returning late at night. The plight of the residents of Atlantis was unique because there were no recreational facilities in the residential area. Drugs and alcohol was freely available resulting in some of the residents indulging in these activities. Drug lords and shebeens (illegal liquor retail outlets) were offering credit to their clients. Drugs and alcohol abuse became rife in the area. People developed a nonchalant approach towards work. The employed were encouraged by the unemployed to stay home and to enjoy a seemingly carefree life. This could be one of the reasons why the Trial store has had a high rate of employee absenteeism when compared to the other 5 participating stores. Another possible reason for the high absenteeism amongst the casuals could be as a result of the awkward working hours which intruded on the casual's social lives. To overcome this inequality management converted all casuals to temporary permanent employees for a period of six months. They were given the same benefits as the permanent employees. This trial failed to achieve the desired results. Absenteeism amongst the temporary permanents was still high.

6.2.3 Customer Services

Customer services are regarded by many of the authors to be a valuable retail strategy to create a competitive advantage over the competitors (see Chapter 2). According to the literature review section (chapter 2) of this study indicated that it is the lifeblood of any organisation and which determines the success or failure of any organisation. Customer services have a wide interpretation and may vary from company to company.

According to (Jones 2004: 46) the key drivers of customers' service ensures superior services in retail organisations are as follows:

- Excellent staff who are efficient, have sound knowledge about their product;
- Speed and efficiency of service by their staff;
- Employees attitude towards the customers during transactions must be impeccable;
- The availability of a full range of products and services;
- The employees efficiency and accuracy in the way they conduct customers' transactions;
- Customer complaints must be handled efficiently and effectively;
- The location of store, with abundant parking;
- Providing fast and efficient service would make any service organisation very popular;
- Providing clean stores that conform to world class standards and providing a friendly environment for the customers;
- The organisation must provide a reliable and dependable service with quick solutions to problems;
- The organisation must stock quality products and their prices must be competitive; and
- The availability of stock must be of paramount importance and the company image must be impeccable with its dealing with the stakeholders.

The results of the customer surveys indicate that 52 per cent of the evening shoppers in all stores disagree with the statement that the cashiers and till packers provide excellent services while 57 per cent of the evening customers in the trial store disagree with this statement. Customers complained about the lack of adequate tills in operation resulting in employees working under pressure and very little management visible. Customers complained about of idle banter between employees while their transactions were processed and the use of outsourced employee to fill supply and demand needs. This could be attributed to the high absenteeism rate amongst the casual (VTE) employees.

Under the product knowledge question the customers of the trial store showed the least disagreements (46%) when compared to the customers of all the other participating stores (53%) with the statement that the employees have good product knowledge. This could be attributed to the trial store employing high school and university students and the other participating stores a range of unemployed people and students. This category of employees generally tends to have enquiring and progressive mind sets. Such qualities could invariably lead to greater quest of acquiring product knowledge which then would correlate with the sentiments echoed by the customers of the trial store. In comparison the other participating stores employ a range of unemployed people. It could be argued that this group of applicant's primary aim was to acquire employment and product knowledge and customer satisfaction become of secondary importance.

Another reason for the evening employees (casual) working in the other stores besides the trial store having poor product knowledge could be because they are working under pressure and have very little (slack) time to familiarise themselves with the products. Customers complained that employees were unable to respond to their enquiries and the lack of visual management complicated routine problems such as expediting prompt service to enhance customer satisfaction. The customers of the trial store received a 57 per cent disagreement for the employees delivering prompt and efficient service. There were reports from customers about continuous employee mistakes and were regularly served by inexperienced employees. Thus, with the high complaints registered by the evening customers and the statistics indicating that there is a significant difference between permanent and casual employee absenteeism a conclusion could be derived at that absenteeism effects in the trial store.

Therefore the company must identify and establish a best practise programme and include it to compliment their existing training programmes and initiatives. The primary people development strategy must be to grow the employees skills base, build a scarce skills pipeline and to ensure leadership bench strengths, reduce absenteeism, the core discipline of this study and reduce

absenteeism and improve customer satisfaction. In addition, the company must also create a coherent human capital development programme that focuses on the following:

- Absenteeism policy development;
- Scarce skills planning and forecasting;
- Development of learning and career pathway;
- Implementation of an integrated service training and development programme;
- Management learning programmes; and
- Value added guidance and support.

These programmes will equip employees in developing their knowledge and skill base. Moreover, it will complement the staff in terms of developing their behavioural competencies necessary to overcome absenteeism and build customer relationships. Effective communication is vitally important to the success of any business and required by all employees, since they are the vital link between the company and customers. It is therefore important that employee's communicate well because what they say and how they say it, is an indication of the organisations service levels. The basis of employee communication must be to motivate them to improve their absenteeism and build customer relations which in turn would lead to customers becoming repeat shoppers. Communications also involves listening and understanding the other person. By listening a compliment is payed to the customer; show respect to the customer and make them feel that their contribution is valued.

The company should develop a customer courtesy code agreement that would regulate employee behaviour. The employee, upon making contact or being approached by a customer must respond with a warm and friendly greeting. Furthermore, if a customer appears uncertain and in need of help then the customer must be approached in a cordial manner and assistance must be offered by the employee. Upon departure employees must extend a friendly farewell in the hope that they

will become repeat customers. The new Consumer Protection Act (CPA) came into effect on the 25th October, 2010 and can have implications for the company if they do not raise their standards of service and promote fair business practices. The consumer protection act ensures that the South African consumers are better protected and empowers the customer to enforce their rights.

The trial store found itself in a unique situation with regards to customer services. During the trial period the world economy was in a state of flux with inflation rising and the economy in recession. Unemployment was rising and companies facing diminishing profits. Companies were seeking ways to increase productivity. Customer count of shoppers at the trial store reduced drastically because unemployment increased amongst the residents of Atlantis which decreased disposable income amongst the residents. This resulted in the shoppers purchasing the bare necessities. There was high numbers of absent employees in the store and the service employees surprisingly were able to cope with serving the customers.

In a nut shell, for supermarkets to be successful in the retail environment they should meet and exceed all the drivers of customer services as indicated by (Jones, 2004: 46). In the survey the hypothesis was tested for in all eight questions relating to area and time. The verification and recourse to the said discussion on customer services was obtained from the literature review of this study. In the literature review, empirical evidence from various authors suggests that absenteeism does impact customer services negatively.

6.2.4 Tests Conducted

Three different hypotheses were tested. The first hypothesis tests the data emerging from the customer service surveys, testing the levels of absenteeism and customer service. The second hypothesis tests the data emerging from trial store (Atlantis) is there a difference between permanent and casual absenteeism. The hypothesis was tested for 2009 and 2010 separately.

The third hypothesis addresses the data emerging from the trial store, is there a difference in absenteeism between the 2009 and 2010, the *t*-test for proportional differences is indicated in this study.

- In the first hypothesis, (the customer service surveys) the null – hypothesis is rejected at any level of significance ($p=0.0001$). In all cases tests of no difference are rejected at any level of significance, therefore, it may be concluded that there is no statistically significant differences between the stores day time and evening employees in the participating supermarkets.
- The second hypothesis the customer service surveys: the null hypothesis is rejected at any level of significance ($p=0.0001$). In all cases tests of no difference are rejected at any level of significance. Therefore, it maybe concluded that there is no statistically significant difference in the levels of service between daytime and evening employees.
- The third hypothesis the trial store: the null hypothesis is rejected at any level of significance ($p=0.0001$). In this test of no difference between casuals and permanents is rejected. Therefore the results indicate that there is a statistically significant difference between permanent and casual employees in the trial store.
- The fourth hypothesis addressed the data emerging from trial store (Atlantis): is there a difference in absenteeism between 2009 and 2010? The null hypothesis H_0 is rejected. Therefore, the results indicate that there is a significant decrease in absenteeism from 2009 to 2010 (t -value = 2.592; p -value < 0.05).

6.25 Extraneous Factors

There are various other factors besides absenteeism that could have significantly influenced the rejection of H_0 (no difference) of the hypotheses. They are as follows; recession; inflation; deflation; rigidity of labour market.

Recession: In economics recession is a business cycle slowdown in economic activity. During recession, production measured by Gross Domestic Product (GDP), employment, investments spending, household incomes, business profits and inflation all fall, while bankruptcies and unemployment rate rises. This occurs when there is a widespread drop in consumer spending.

Recession has many attributes that occur which includes decline in economic activity such as consumption, investment, government spending. These measures affect drivers such as employment levels and skills, household saving rates. The full impact of recession may not be felt immediately but low skilled, low educated workers and the young are most vulnerable to unemployment. The living standards of people on wages and salaries are affected by recession reducing their capability to purchase goods for consumption. Across the board, customers are finding them hard pressed, this could be the reason why the supermarkets are not very busy.

Inflation: According to Pape (2000: 325), inflation is the changes in the price level of commodities that are measured by the consumer price index (CPI). The CPI measures the price of a basket of goods at regular intervals. The basket includes food, housing, clothing, transport, education and so on. The percentage increase in the price of this basket is calculated on an annual basis. From this calculation we get what is called the inflation rate. The author indicates that the consumers are aware of price changes of things that are bought regularly such as food and toiletries rather than high priced items. The latest data from Statistics South Africa indicate that growth in the retail sales was flat, a sign that consumers demand was still hesitant after the 2009 recession, which slashed about a million jobs (www.stats.co.za).

Rigidity of Labour Market: Productivity is key to economic survival and the current labour unrest in South Africa has sparked a major relook at the country's productivity levels. Job cuts at Pick n Pay is partly blamed on the South African Commercial, Catering and Allied workers union (Saccawu). The company intends to retrench 3000 workers, a situation that has been partly

pinned on the union because of their refusal to participate in the Flexibility and Mobility (F and M) employee programme. Pick n Pay spokesperson Neal Quirk stated that staff refusal to accommodate the F and M programme was a contributing factor to retrenchments (Enslin-Payne, 2011: 1).

According to Shapiro (2011: 15), unions are proceeding on a destructive course that will retard South Africa's global competitiveness, diminish their productive capabilities resulting in more job losses. Shapiro stated that strike action by the employees only drive customers elsewhere. Eroding profits through excessive wages demands when companies are struggling to cope with their administrative costs increases not only take away the organisations capacity to expand operations and create additional jobs but also harms the ancillary businesses.

Vollgraaff (2011: 4), stated that South Africa has one of the highest incidences of strikes in the world and loses millions of working days every year due to workers downing tools.

6.3 CONCLUDING REMARKS

- In conclusion, the rejection of H_0 in the first hypothesis indicates that there is a levels of absenteeism and s which may be as a result of numerous factors. The adverse effects of the global recession caused by the credit crunch and the effects of inflation on South Africa's (SA) economy contributed to this situation. The global recession in particular caused a major slow down in the liquidity of the world markets. Customers, whose purchasing power was mainly based on the availability of credit, were severely affected resulting in supermarkets experiencing lower sales and turnovers. The overall weaker financial situation of companies saw their productivity levels decline, whilst their cost of operations increased. To reduce their cost of operations to match falling sales and revenue, many companies underwent a process of downsizing unproductive staff which increased the high unemployment numbers

in South Africa. Although, labour in SA, is fairly organised by the unions, they are particularly rigid and the unions mandated by its members undertook a series of mass action to demand higher wages. This rigidity in the labour market and an unwillingness to accommodate the employers' interest also fuelled the increase in unemployment numbers in the country.

- In the second hypothesis the rejection of H_0 indicate that there is a significant difference between permanent and casual absenteeism, this result may have been due to numerous factors such as employee entitlement mentality, substance abuse, alcoholism, depression and anxiety.
- In the third hypothesis the rejection of H_0 (there is no difference in absenteeism between 2009 and 2010) indicates that there is a significant decrease in absenteeism between 2009 and 2010 figures in the trial store. This is ascribed to of converting their casual employees to temporary permanent employees for a trial period of six months and strict management monitoring of absenteeism

6.4 PROBLEMS AND LIMITATIONS

No immutable difficulties were encountered during the study. The usual problems associated with additional time and effort when conducting surveys in different supermarkets in the Western Cape were experienced. Some of the challenges encountered included this study were:

- The unwillingness of the employees to discuss the reasons for their absences; and
- This study was conducted during a timeframe that the World and South African economy's were in recession, resulting in less customers coming to the supermarkets and purchasing fewer commodities.

Based on the research findings a set of recommendations can be made on the future areas of research.

6.5 RECOMMENDATIONS

6.5.1 Recommendations for Absenteeism Control

As stated in chapter 5 one of the main goals of research is to seek solutions to problems, generate new knowledge and provide an objective and sound basis for decision making. The purpose of this study was to identify objectives that could be used to develop and create an integrated organisation culture that could curb absenteeism. Based on this research several strategies for controlling or reducing absenteeism could be suggested:

- It would alarm management and staff in any organisation when the effectiveness of the company's absenteeism policies and methods are identified and re-examined about the efficiency of their policies. Results of this study indicate that absenteeism is rife in the stores. Suggesting that certain methods of controlling absenteeism used did not have much influence on absenteeism and some methods were not considered effective by management. Such methods could be eliminated at a saving to the organisation (e.g. verbal excuses). As with most policies introduced by management there are no magical short cuts to control absenteeism. An understanding approach to the problem is more desirable than uncharacteristic systematic approach. To realise a decrease in absenteeism, time, effort and money will need to be invested to achieve these objectives.
- Organisations with policies for terminating employees with excessive absenteeism, must re-examine these policies for loopholes and inconsistencies. One method of doing this check is by pulling individual employee absenteeism records and scrutinizing it for consistent examination from their supervisors. Absenteeism cases

addressed at the CCMA (Council for Conciliation Mediation and Arbitration) can easily be overturned without proper attendance records and paperwork. This could result in substantial back pay settlements to the employee by the company if the termination policy is not clearly established and administrated.

- Companies must take stock of the value of adopting a positive approach to reduce absenteeism. Although consensus suggests that management are not in favour of this inducement, the positive approaches are usually associated with lower absenteeism. Numerous studies have shown the effectiveness of positive reinforcement in reducing absenteeism. The thought processes that workers are paid to work and should not receive compensation for attendance is questionable in today's environment because workers are paid for not coming to work (e.g. paid absences, unemployment benefits and days off).
- Establishing a centralised system to collect absenteeism data would be advisable. A centralised database means that each has one primary record with all employee information. Thus when there are changes to be made in an employee's record then there is one place to make these changes. The learning curve of the user is greatly reduced. If all processes are in the database then the user needs to learn only learn one system and not multiple system. With slight modifications to the payroll system and the development of a computer programme (software), accurate and timely attendance data reports can be produced. So why collect manual data that adds to the operating costs of the business when automatic data generation can be achieved by implementing new software. When employees become aware that absenteeism data is being recorded by management absenteeism numbers reduces automatically. A larger reduction of absenteeism numbers will occur if the records are analysed periodically.
- In conclusion the organisation should approach absenteeism control with a

comprehensive strategy rather than having different approaches in solving the problem. Although this approach takes time, it is more likely to work and the cost savings will more than pay for the time and money investments.

In the next section the recommendations for future research is discussed:

6.5.2 Recommendations for Future Research

The research implication of this study emanates from the low response rate among supermarket groups from participating in this study. Although this study has achieved its intended objectives, it has opened the following avenues for research:

- This study was limited to Pick n Pay corporate stores, Elite Spar and Pick n Pay Atlantis Family Store in the Western Cape. Therefore the next logical step would be to conduct the study in the whole of South Africa, soliciting a response of a larger respondent base, one that would be a sample representative of all supermarkets. While the literature study in this research clearly shows that these problems are felt nationally, it would be significant to add more weight to what has been discussed;
- Considering all the various claim made about South Africa's low productivity levels, a national survey regarding absenteeism could be conducted in the country;
- As a personal observation, acquired through many years of service with the Pick n Pay group, the writer believes that there is a further need to conduct a longitudinal study to study the obesity levels of supermarket employees and determine if this factor could have causes to lower service levels. The prevalence of obesity increases the country's economic consequences. Records show that overweight or obese employees take more sick leave than other employees. and

- A study could be conducted to assess the educational levels of supermarket employees and determine if this factor could have caused lower service levels. As indicated in this study by the focus groups and mystery shoppers that the employee product knowledge was below par.

6.6 CONCLUSION

Absenteeism amongst supermarket employees has become a problem for most retailers in the Western Cape. As a result, it is not uncommon for many of the employees to have accumulated several days of questionable absence. The extent to which absenteeism may have contributed to poor sales has guided the researcher's interest to investigate the levels of absenteeism and employment status in the supermarket industry. It can be stated that sales by employees has become a key driver to economic survival amongst retail companies in South Africa. There must be an urgent desire by retail management to address absenteeism and increase productivity levels, profitability and remain competitive within the retail environment. However, it has been mentioned in this study that there is empirical evidence which indicates that converting casual employees to permanent employees has an impact on absenteeism and sales. Accordingly, it is envisioned that this investigation may serve as an invaluable contribution towards an improved understanding of the levels of absenteeism and sales in the supermarket industry.

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Annexure A

Focus Group Research Survey

STORE: Pick n Pay Mountain Mill (Worcester)

This survey is for Academic purposes and all respondents will remain anonymous. Respondents are requested to apply closed and open ended responses to the questionnaire. The six point rating scale (1= strongly disagree; 6= strongly agree). Please circle / tick the appropriate box and include comments under appropriate questions.

- Technical Skills

- ❖ Employees have a high level of knowledge?

Not Sure – The panel haven't challenged the employee's knowledge as yet but it seems that they have limited knowledge about their products for uses and application.

- ❖ Employees are experts in their jobs?

The employees provide the service required but require more training to become more efficient in their jobs.

- ❖ Employees are highly competent

The employees seem efficient at what they do. They do what is required of them but do not go the extra mile.

- Social Skills

- ❖ The employees have extensive social skills.

Majority of the employees require more courtesy training on s and social skills because they seldom smile, greet and talk to the customers.

- ❖ The employees are able to consider their customers perspective.

No. They only try to accommodate the customer, it seem as though some employees are doing the bare minimum of what is required of them.

- ❖ The employees know how to treat a customer well.

No. The employees need to be remained about the consequences of poor s to the organisation because of the non-chalant approach towards their jobs. The employees must undergo training on s required.

- Motivation

- ❖ The employees show strong commitment to their jobs

A large percentage of the employees don't smile and make eye contact with the customers and this is an indication that they are not committed to their jobs because lack of confidence and training.

- ❖ The employees do their best to fulfil their customers' needs.

Some employees try to. Most of the employees only do what is expected of them they very seldom go beyond the call of duty.

- ❖ The employees are always highly motivated.

The employees seem highly motivated to talk to each other while serving customers. They should be informed that this is not a hygienic practise and must be stopped. The company must develop a training programme to educate the employees about the company's good practises.

- Decision Making Authority

- ❖ The employees are allowed to decide autonomously in customer matters.

Some employees handle basic customer queries and the majority of the employees try to side step the query and pass it on their superiors.

- ❖ The employees have appropriate room for manoeuvring in solving customer problems

It depends on the problem. Most of the time they side step the issue and pass it on to the supervisor. This is an indication that the employee lack confidence and training to resolve the issue. Training must be provided to improve confidence in the employees.

- ❖ In the case of customer requests; employees do not need to ask their superiors for permission.

Depending on the query they always refer to their supervisors.

- Customer Satisfaction

- ❖ I am fully satisfied with the service.

The panel is not satisfied with the service but most of the employees provide the basic service requirements. Most of the customers are repeat customers because of the convenience and location of the supermarket. More staff training is required.

- ❖ The employees always fulfil my expectations.

They do less than what is expected of them.

- ❖ The employees have never disappointed me so far.

Some have – most have not. For example platter orders and bakery orders not ready on time.

- ❖ My experiences with the supermarket are excellent.

No. Disappointed at times, for example advertised lines not available; wrong pricing labels on shelves. Staffs do not inform customers about rain checks when advertised products are out of stock.

- Emotional Commitment

- ❖ I feel committed to the supermarket.

We feel committed because of the stores convenient location, but employees need to be informed about the consequences of poor s.

- ❖ My relationship with the employees is important to me.

Yes – respect works both ways.

- ❖ If the supermarket no longer exists, this would be a significant loss for me.

Yes. The panel feel that it would be an inconvenience to them, customers living and working in the area because the location of the store.

- ❖ I would turn a blind eye to a minor mistake of the employees.

Every one make mistakes – we have to be some what accommodating but on the other hand corrective behaviour is route to improve service quality.

- Customer Retention

- ❖ In future I will purchase most of my cosmetics at the supermarket.

We would but the store stocks a limited range.

- ❖ I am a loyal customer of the supermarket.

We consider ourselves to be loyal customers that is the reason why we are sitting on this focus group panel. The supermarket is fortunate to have such tolerant customers.

- ❖ My next account payment will be made at the supermarket.

If available we would, most of the panel members have debit orders payments but those customers who do not have debit order centralised payment would be very convenient.

- ❖ The Supermarket is first choice to pay my domestic accounts.

Yes. Panel felt that it is very convenient to have centralised payment point to pay their domestic accounts because one of the advantage is timesaving factor.

Annexure B

Focus Group Research Survey

STORE: Pick n Pay Somerset Mall

This survey is for Academic purposes and all respondents will remain anonymous. Respondents are requested to apply closed and open ended responses to the questionnaire. The six point rating scale (1= strongly disagree; 6= strongly agree). Please circle / tick the appropriate box and include comments under appropriate questions.

- Technical Skills

- ❖ Employees have a high level of knowledge

No. The employees only display basic level of knowledge about their job. They don't suggest alternate or new recipes of their products. They should be subjected to more technical training

- ❖ Employees are experts in their jobs

It is very difficult to call the employees experts. If they were then we believe the productivity levels of the company and South Africa would improve tremendously.

- ❖ Employees are highly competent

The panel believe very few employees display signs of being competent in their positions.

• Social Skills

- ❖ The employees have extensive social skills.

Yes and No. The panel believe a large majority of the employees must undergo intensive training because they lack confidence to smile and greet the customers.

- ❖ The employees are able to consider their customers perspective.

No. The employees only think about themselves because they are very busy conversing with their colleagues while attending to the customers.

- ❖ The employees know how to treat a customer well.

No. The employees give the impression to the panel that the customer is the least important stakeholder. The employees have forgotten the chairman's philosophy "the customer is queen" being one of the cornerstone of which Pick n Pay was built.

- Motivation

- ❖ The employees show strong commitment to their jobs

The panel has come to the conclusion that very few employees are committed to their jobs. If they showed strong commitment to their jobs you would find them falling over one and other to serve the customer and this don't happen. Furthermore, the employees are nowhere to be found when you need them.

- ❖ The employees do their best to fulfil their customers' needs.

The meaning of the words customer needs has to be explained to the employees because it seems that the importance of the customer to the company and employee is of little consequence to the employees.

- ❖ The employees are always highly motivated.

The employee needs to develop and understand the ethos of the organisation and the role the customer plays in the organisation.

- Decision Making Authority

- ❖ The employees are allowed to decide autonomously in customer matters.

No. The panel feel that the employees don't make decision on their own but they pass the customer query to their supervisors.

- ❖ The employees have appropriate room for manoeuvring in solving customer problems

Yes / No. The employee is allowed room to solve certain levels of enquires only and the other queries they refer to their superiors.

- ❖ In the case of customer requests; employees do not need to ask their superiors for permission.

This depends on the type of customer query and on the type of problem. The employees must refer majority of the customer queries to their superiors because prices, recipes are set by head office.

- Customer Satisfaction

- ❖ I am fully satisfied with the service.

No. The panel believe that the company needs to provide the employees with training and development

- ❖ The employees always fulfil my expectations.

The panel tolerate the employees because of the stores convenient location.

- ❖ The employees have never disappointed me so far.

The employees have not disappointed me on their limited product knowledge.

- ❖ My experiences with the supermarket are excellent.

The panel feel that their experiences with the supermarket are neither excellent nor rosy.

The convenient location of the store makes them repeat customers.

- Emotional Commitment

- ❖ I feel committed to the supermarket.

The panel feel committed because of the stores convenient location.

- ❖ My relationship with the employees is important to me.

No. The panel feel that their relationship with the employees should be important to them in order to build and enhance customer relations. The general feeling amongst the panel is that the employee's limited product knowledge has become a constraint to them from offering advice about their products to the consumer.

- ❖ If the supermarket no longer exists, this would be a significant loss for me.

Yes. It would be a significant loss to the panel, the workers and residents of the area.

- ❖ I would turn a blind eye to a minor mistake of the employees.

The panel insist that corrective behaviour is important to them, irrespective if the incident is minor or major.

- Customer Retention

- ❖ In future I will purchase most of my cosmetics at the supermarket.

According to the panel the store stocks a limited range.

- ❖ I am a loyal customer of the supermarket.

The panel feel that they are loyal to the supermarket because it is in a very convenient location.

- ❖ My next account payment will be made at the supermarket.

It is a convenient way to pay accounts at a central point and it becomes a major timesaver.

- ❖ The Supermarket is first choice to pay my domestic accounts.

Yes. It is convenient to pay at a central point.

Annexure C

Focus Group Research Survey

STORE: Pick n Pay Pinelands

This survey is for Academic purposes and all respondents will remain anonymous. Respondents are requested to apply closed and open ended responses to the questionnaire. The six point rating scale (1= strongly disagree; 6= strongly agree). Please circle / tick the appropriate box and include comments under appropriate questions.

- Technical Skills

- ❖ Employees have a high level of knowledge

The panel feel that there is a lack of knowledge in this store amongst the employees and they require more training and development. Because of the heterogeneity factor knowledge levels differ between stores and employees.

- ❖ Employees are experts in their jobs

No ways. According to the panel there is no sense of urgency amongst employees. Furthermore, the employees don't have a passion for what they do. They trend to spent more time talking to there colleagues while serving the customers than giving their full attention to the customer.

- ❖ Employees are highly competent

Not all the employees are highly competent. The panel feel that the employees must be subjected to a intensive training programme.

- Social Skills

- ❖ The employees have extensive social skills.

The panel suggest that a training programme must be developed for the employees to improve on their social skills and assist them in building confidence because they work like robots without showing any emotion.

- ❖ The employees are able to consider their customers perspective.

A few of the employees goes out of their way for the customers while the others don't care at all. Most of the employees don't realise that the customers keep them in a job. The employees must be made to realise the importance of the role customers play in their lively hood.

- ❖ The employees know how to treat a customer well.

Not all of the employees. Some don't even greet or assist the customers when they require assistance. They normally stand around corners chatting about their nights experiences

- Motivation

- ❖ The employees show strong commitment to their jobs

Not always, according to the panel employees just come here to do their job and nothing else

- ❖ The employees do their best to fulfil their customers' needs.

According to the panel not all the employees fulfil their customers' needs. On occasions it was witnessed staff having disagreements with customers.

- ❖ The employees are always highly motivated.

The majority of the employees always seem de-motivated and negative. It seems some of them don't want to grow in the company. They find the feeblest excuse to down tool and on occasions you would notice new faces without company uniform assisting customers. The employees seem highly motivated in their conversations with their fellow employees.

- Decision Making Authority

- ❖ The employees are allowed to decide autonomously in customer matters.

Casual chat with management it was mentioned that employees are empowered but they are not making use of the opportunity.

- ❖ The employees have appropriate room for manoeuvring in solving customer problems

Yes and No. It depends on the type of customer problems. Most of the employees trend to side step customer issues and forward them to their supervisors.

- ❖ In the case of customer requests; employees do not need to ask their superiors for permission.

No. They ask their supervisors for permission.

- Customer Satisfaction

- ❖ I am fully satisfied with the service.

The panel is not always satisfied with the service. Most of the staff don't greet, make eye contact or assist the customers when they require assistance.

- ❖ The employees always fulfil my expectations.

According to the panel they must constantly look for staff to assist them on the grocery section.

- ❖ The employees have never disappointed me so far.

Unfriendly cashiers, no stock of advertised lines and dirty shop disappoint the panel.

- ❖ My experiences with the supermarket are excellent.

The panel have yet to experience excellent service from the staff. Because of the convenience location they have become repeat customer and they utilise the supermarket.

- Emotional Commitment

- ❖ I feel committed to the supermarket.

Yes. the store is nice and clean and is situated near to the panel member's houses and customers living and working in the area makes it very convenient for them.

- ❖ My relationship with the employees is important to me.

The panel feel that relationship between customers and employees is a two way street and they insist that the employee must become more friendly and accommodating towards the customers. According to the panel the company must install an extensive customer training programme for the staff.

- ❖ If the supermarket no longer exists, this would be a significant loss for me.

The panel feel that it would be a significant loss to the community living and working in the area.

- ❖ I would turn a blind eye to a minor mistake of the employees.

The panel believe in corrective behaviour and any minor or major mistakes by the employees must be addressed.

- Customer Retention

- ❖ In future I will purchase most of my cosmetics at the supermarket.

Yes and No. According to the panel the supermarket doesn't carry an extensive cosmetic range.

- ❖ I am a loyal customer of the supermarket.

According to the panel most of the customers are loyal to the supermarket because the stores is convenient for the customers living and working in the area.

- ❖ My next account payment will be made at the supermarket.

The panel feel that it is convenient and helps with time constraint in being able to pay accounts and do your shopping at the same venue.

- ❖ The supermarket is first choice to pay my domestic accounts.

According to the panel it is convenient and they would be paying their domestic accounts at the supermarket in future.

Annexure D

Focus Group Research Survey

STORE: Elite Super Spar

This survey is for Academic purposes and all respondents will remain anonymous. Respondents are requested to apply closed and open ended responses to the questionnaire. The six point rating scale (1= strongly disagree; 6= strongly agree). Please circle / tick the appropriate box and include comments under appropriate questions.

- Technical Skills

- ❖ Employees have a high level of knowledge

The employee display the basic knowledge needed to deal with the customers. A high level of knowledge is not required for the tasks they perform. They may have the knowledge, but they don't use it in their day to day duties at Pick n Pay. The panel believe that the employees have no clue of what is.

- ❖ Employees are experts in their jobs

They only do what they were told to do and they don't understand what they are doing and why they are doing it.

- ❖ Employees are highly competent

They do what is required of them and some go the extra mile, others just do the basics.

They provide a service to the customer, some do it well other do it because its their job.

- Social Skills

- ❖ The employees have extensive social skills.

Some employees are friendly, accommodating and pleasant while the majority do not know how to interact wit customers. The require training on social skills.

- ❖ The employees are able to consider their customers perspective.

Some employees often do while the others only have no consideration for the customers.

- ❖ The employees know how to treat a customer well.

Some of the employees handle in a pleasant way but the majority don't go the extra mile to become accommodating towards the customer.

- Motivation

- ❖ The employees show strong commitment to their jobs

The panel agrees that some employees only are committed to their jobs while the majority only do what is expected of them.

- ❖ The employees do their best to fulfil their customers' needs.

Not always.

- ❖ The employees are always highly motivated.

They seem content whilst doing their jobs. There could be a number of reasons that could de-motivate the staff.

- Decision Making Authority

- ❖ The employees are allowed to decide autonomously in customer matters.

It depends on the query. With regards to simple queries they often tend to assist the customers while other queries are referred to their superiors.

- ❖ The employees have appropriate room for manoeuvring in solving customer problems

This depends on the type of customer query and on the type of problem.

- ❖ In the case of customer requests; employees do not need to ask their superiors for permission.

The employees often consult their supervisors. This leads panel to believe that the supervisor is in control of making important decisions alternately the employee is afraid to make the decision and do not want to take on the responsibility.

- Customer Satisfaction

- ❖ I am fully satisfied with the service.

The panel stated that there is still room for improvement. The service provided caters for their basics needs

- ❖ The employees always fulfil my expectations.

Not always.

- ❖ The employees have never disappointed me so far.

The panel decided that overall they have not disappointed.

- ❖ My experiences with the supermarket are excellent.

According to the panel they are happy with the service and products provided but there is room for improvement.

- Emotional Commitment

- ❖ I feel committed to the supermarket.

According to the panel they are committed to the supermarket because of the location of the store.

- ❖ My relationship with the employees is important to me.

Yes. It is important to have a good relationship with the employees because it guarantees good service.

- ❖ If the supermarket no longer exists, this would be a significant loss for me.

The supermarkets cater for all the panels' basic needs and the location is convenient. It would create a negative impact to the community if it ceases to exist. The consumers being used to the supermarket it would become inconvenient for the consumer if the supermarket ceased to exist.

- ❖ I would turn a blind eye to a minor mistake of the employees.

Yes, according to the panel it depends on the enormity of the mistake. Simple errors can be overlooked, while casually informing the staff member to make them aware of the mistake and for them to learn from it.

- Customer Retention

- ❖ In future I will purchase most of my cosmetics at the supermarket.

It depends on availability and pricing. The supermarket stocks a limited range.

- ❖ I am a loyal customer of the supermarket.

According to the panel since they frequent the supermarket daily, they consider themselves to be one.

- ❖ My next account payment will be made at the supermarket.

The panel feels that if the facility is available they would they will utilise it.

- ❖ The Supermarket is first choice to pay my domestic accounts.

The convenience of using the supermarket to pay all accounts appeal to the panel. If the supermarket has the facility they would use it in the future.

Annexure E

Focus Group Research Survey

STORE: Pick n Pay Atlantis Family Store.

This survey is for Academic purposes and all respondents will remain anonymous. Respondents are requested to apply closed and open ended responses to the questionnaire. The six point rating scale (1= strongly disagree; 6= strongly agree). Please circle / tick the appropriate box and include comments under appropriate questions.

- Technical Skills

- ❖ Employees have a high level of knowledge

The panel feel that they are not in a position to evaluate this since they have not discussed products in detail with employees.

- ❖ Employees are experts in their jobs

According to the panel some departments have a few employees that may fit this profile while the majority have a long way to go to come close to this category.

- ❖ Employees are highly competent

The panel feel that this questions is repetitive and answered in the earlier part of this questionnaire.

- Social Skills

- ❖ The employees have extensive social skills.

This is relative to time and day. Interaction on a daily basis has indicated that there has been no consistency in the employee's social skills.

- ❖ The employees are able to consider their customers perspective.

The panel acknowledge that a small percentage of the employees are perceptive to inclinations of customer queries, whilst the vast majority due to a lack of skills, such as product knowledge, social skills and problem solving, hinders their ability to successfully address customer perceptions.

- ❖ The employees know how to treat a customer well.

Yes and No. Very often employees offer customers disservice via poor social skills and a lack job application. A small percentage of about 10% display all the traits that justify customer satisfaction.

- Motivation

- ❖ The employees show strong commitment to their jobs

There is variation in service quality between employees of different departments and between stores. There is a noticeable tendency for different groups to show different levels of commitment. The coloured contingent have to a greater extent across all stores displayed higher levels of commitment.

- ❖ The employees do their best to fulfil their customers' needs.

Yes and No. Very often non-department employees when questioned regarding a product outside their ambit are quick to side step the issue and their immediate response is to locate someone comfortable with the department. What stops them from listening to the query before side stepping the issue.

- ❖ The employees are always highly motivated.

A small percentage of the employees appear to be always highly motivated.

- Decision Making Authority

- ❖ The employees are allowed to decide autonomously in customer matters.

To an extent yes but when the decision making is beyond the employee's ambit they would refer the query to the superiors.

- ❖ The employees have appropriate room for manoeuvring in solving customer problems

The panel do not know what policies are in place with regards to granting of space to employees in search of solutions to customer problems.

- ❖ In the case of customer requests; employees do not need to ask their superiors for permission.

Yes the employees would need to ask their superiors if the request goes beyond their job description.

- Customer Satisfaction

- ❖ I am fully satisfied with the service.

The panel is partially satisfied with the service. They believe that more in-service training must be conducted to improve service quality.

- ❖ The employees always fulfil my expectations.

Sometimes when the employee is in a good mood, they try and fulfil their customer requests.

- ❖ The employees have never disappointed me so far.

In most cases they have not disappointed but they need to cheer up.

- ❖ My experiences with the supermarket are excellent.

In general yes. But the panel are very irritated with the levels of out of stock found in the store and the removal of expired stocks must be conducted before shop opens for trade.

- Emotional Commitment

- ❖ I feel committed to the supermarket.

Yes because the panel feel that the stores location is convenient for them.

- ❖ My relationship with the employees is important to me.

Yes it is.

- ❖ If the supermarket no longer exists, this would be a significant loss for me.

Yes it would because it would disrupt the convenience factor.

- ❖ I would turn a blind eye to a minor mistake of the employees.

A minor mistake is a relative term. Considering the nature and the impact it has and if the mistakes are minimal yes we would turn a blind eye. Corrective behaviour is important.

- Customer Retention

- ❖ In future I will purchase most of my cosmetic supermarket.

Yes and No. There are other shops that specialise in cosmetics and they have a wider range and also their lower prices and superior quality.

- ❖ I am a loyal customer of the supermarket.

Yes because of the convenience.

- ❖ My next account payment will be made at the supermarket.

No. Because of E transfer.

- ❖ The Supermarket is first choice to pay my domestic accounts.

No. Because of E transfer.

Annexure F

Customer Research (1)

This survey is for Academic purposes and all respondents will remain anonymous. The two point rating scale used indicates that you agree or disagree with the listed question.

Please tick only one of the appropriate boxes in each question.

- | | Agree | Disagree |
|---|--------------------------|--------------------------|
| 1. Do you agree/disagree that our personnel provide prompt, friendly and courteous service? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Do you agree/disagree that our personnel has good product knowledge? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Do you agree/disagree that our personnel are professional and trustworthy? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Do you agree/disagree that our personnel deliver prompt and efficient service? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Do you agree/disagree that our personnel working in the service area provide excellent service? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Do you agree/disagree that our cashiers and till packers working in the checkouts provide excellent service? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Do you agree/disagree that our management are visible and provide assistance? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Do you agree/disagree that our supermarket provide excellent service? | <input type="checkbox"/> | <input type="checkbox"/> |

Annexure G

Customer Research (2)

This survey is for Academic purposes and all respondents will remain anonymous. The five point rating scale used indicates that you strongly agree, agree, neutral, disagree and strongly disagree with the listed questions. Please tick only one of the appropriate box in each question.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
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1. Our personnel provide prompt, friendly and courteous service

--	--	--	--	--

2. Our personnel has good product knowledge

--	--	--	--	--

3. Our personnel are professional and trustworthy

--	--	--	--	--

4. Our personnel deliver prompt and efficient service

--	--	--	--	--

5. Our personnel working in the service area provide excellent service

--	--	--	--	--

6. our cashiers and till packers working in the checkouts provide excellent service

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7. our management are visible and provide assistance

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8. our supermarket provide excellent service

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Annexure H

Mystery Shopping Store Results			
Header Information			
FormId		Period	
Regional Name	Western Cape		
Store Name	Mountain Mill	Date of Visit	01 March 2010
Time of Visit	12:00	Day of Visit	
SWITCHBOARD EVALUATION (100.00%)			
1	Was the phone answered within ten rings? If NO, how many rings?	Yes	The phone was answered within 5 rings.
2a	Did the person who answered the telephone IDENTIFY the STORE ?	Yes	The telephonist said, 'PnP Mountain Mill.'
2b	Did the person who answered the telephone offer a GREETING ?	Yes	The telephonist said, 'Good Morning.'
3	Was the telephonist able to assist you with your query or offer an alternative?	Yes	The telephonist was able to answer me immediately if they sold wine.
4	Did the telephonist give you a greeting?	Yes	The telephonist said, 'Thank you for calling.'
OVERALL (100.00%)		STORE	RESULT
SECTION 1 - SERVICE (100.00%)			
Today and every day our people will always give you great SERVICE			
IN STORE (100.00%)			
1.1 Was there someone available to assist you in the service areas?			
a	BAKERY	Yes	Linda
b	BUTCHERY	Yes	I was assisted by a thin female that wore glasses.
c	DELI (cold meats)	Yes	Nathasa
d	DELI (hot foods)	Yes	Theresa
e	PRODUCE (Fruit and Vegetables)	Yes	Susan
f	FRESH FOODS (Cheese, Salads, fish)	Yes	Nathasa
g	FRONTLINE	Yes	Ayanda
m	RETURNS / REFUNDS / REPAIRS Counter	Yes	Cathelene
n	CLOTHING	Cathelene	
1.2 Did the staff member smile warmly and make eye contact with you?			
a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (cold meats)	Yes	
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	Yes	
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	
m	RETURNS / REFUNDS / REPAIRS Counter	Yes	

1.3 Were you greeted in a warm and friendly manner?			
a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (cold meats)	Yes	
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	Yes	
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	
m	RETURNS / REFUNDS / REPAIRS Counter	Yes	
1.4 Did the staff member/s give you their full attention while serving you?			
a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (cold meats)	Yes	
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	Yes	
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	
m	RETURNS / REFUNDS / REPAIRS Counter	Yes	
1.5 Were you thanked upon departure?			
a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (cold meats)	Yes	
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	Yes	
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	
FRONTLINE (100.00%)			
1.6	Did the cashier convey the sales total to you?	Yes	
1.7	If you paid by card (credit / debit), did the cashier address you by name once it was known?	N/A	
1.8	Did the cashier ask you if you had a Vitality card?	Yes	
1.9	Did the cashier ask if you had your own bags or if he/she could sell you some ?	Yes	
1.10	Was there a packer available at all the tills?	Yes	
1.11	Was there a frontline supervisor visible?	Yes	
1.12	Ask the Cashier - How much money can I draw? Did the cashier mention that you are able to draw your daily ATM limit	Yes	I was told my daily ATM limit.
1.13	Ask the cashier if you are able to draw this amount. (They must have these amounts or will get the money or call a supervisor to get the money) Did the cashier give you the correct answer	Yes	

SECTION 2 - FRESH (100.00%)

FRESH (100.00%)

Today and every day our products will always be absolutely FRESH

2.1	Were the expiry dates valid for all products?	Yes	
2.2	Was the produce on display of high quality and fresh, (not bruised, wilted, broken)?	Yes	
2.3	Was the product packaging clean and sealed?	Yes	
2.4	Were the display fridges, shelves and baskets clean and free from any old or discarded products?	Yes	
2.5	Are the trading area floors clean?	Yes	
2.6	Were there trolleys and baskets available?	Yes	
2.7	If there were, were they clean?	Yes	

STORE STAFF STANDARDS (100.00%)

2.8. Were all staff members in the following service areas correctly dressed in the Pick 'n Pay uniform with a White/Gold name badge?

a	BAKERY	Yes	The staff member wore white jacket, hairnet and had a new white name badge on.
b	BUTCHERY	Yes	The staff member wore white jacket, hairnet and boots but no name badge was worn.
c	DELI (cold meats)	Yes	The staff member wore white jacket, hairnet and had a new white name badge on.
d	DELI (hot foods)	Yes	The staff member wore white jacket, hairnet and had a new white name badge on.
e	PRODUCE (Fruit and Vegetables)	Yes	The staff member wore white jacket, hairnet and had a new white name badge on.
f	FRESH FOODS (Cheese, Salads, fish)	Yes	The staff member wore white jacket, hairnet and had a new white name badge on.
g	FRONTLINE	Yes	The cashier wore navy jersey, navy pants and had a new white name badge on.
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	The staff member wore navy pants, navy jersey and had a new white name badge on.
i	SHOP FLOOR	Yes	The staff members wore navy pants, navy jerseys and had new white name badges on.

SECTION 3 - STORE STOCK (100.00%)

Today and everyday if we are out of stock, we'll do our best to deliver to you within 24 hours

3.1	Was the store well-stocked with no vacant spaces on the shelves or display areas?	Yes	
3.2	Were all the shelf-edge labels correct? (Check the 10 specified items)	Yes	The following items were checked, Pre Packed Lettuce, Pre Packed Carrots, Pre Packed Mushrooms, PnP Toilet Rolls, Ricoffy 250g, Sunflower Oil 750ml, Canola Tub 500g, Parmalat Fresh Cream 250ml, Jive 2L and Beacon Chocolates 100g.
3.3	Missing Shelf edge labels?	No	All shelf edge labels were visible.
3.4	Was each merchandise trolley attended by a merchandiser?	Yes	
3.5	Were the aisles clean and uncluttered (no excess merchandise and unpacked boxes)?	Yes	
3.6	If there was an Out of Stock product were the staff able to assist you?	Yes	

SECTION 4 - QUEUES (100.00%)

Today and everyday there will be no queues unless all the tills are open

4.1	Were there QUEUES at ANY of the service areas ? [IF there more than 3 people: 1 paying and 2 waiting, then select YES and specify which service area]	No	
4.2	If Yes, were all the service points open?	N/A	
4.3	Were there QUEUES in the frontline area?	No	
4.4	If YES, were all the tills open?	N/A	

SECTION 5 - MANAGEMENT (100.00%)

Today and everyday a manager will always be at the front of the store to help you

5.1	Was there a member of management at the front of the store to help you? (Manager on duty)	Yes	
-----	---	-----	--

Scenario: Engage in short conversation with the manager (e.g. about refunds, promotions).

5.2	Was the manager helpful and courteous towards you?	Yes	He was very helpful and courteous.
5.3	Managers Name.	Niel	

SECTION 6 - GO BANKING

6.1	Ask the Manager/Supervisor to tell me how GO Banking Money Back/Extra Discounts work?	Yes	I was told that I would receive discount on certain item when paying with a Go Banking card and at the end of every moth I would see the discounted money in my account.
6.2	Ask the MANAGER/INFORMATION DESK - I have a problem/query with my GO Banking Account, who can assist me?	Cathelene	Cathlene assisted me and gave me the Go Banking Customer Care number to phone.
6.3	Can I phone GO Banking from your store?	Yes	I could phone from the store.

SECTION 7 - MARKETING/PROMOTIONS

7.1	Were promotional advertised lines in stock? (Please indicate what was on promotion you must pick up a pamphlet and check 10 items)	Yes	The following items were checked, PnP Full Cream Milk Sachets, Ricoffy 750g, Chopstick Rice 2Kg, PnP Oats 1Kg, Clover Feta 200g, Fresh Pack Rooibos, PnP Sugar 2.5kg, Snow Flake Cake Flour 2.5kg, PnP Cooking Oil 2L and Nestle Condensed Milk 385g.
7.2	Check sell by dates on the advertised lines.	Yes	
7.3	What CSI is visible at till point – example (Current Inspired to uplift)	Yes	A CSI was visible with Inspired to Uplift on it.
7.4	Product and price promotional brochures available.	Yes	

ADDITIONAL COMMENTS

Everything was in order at the store.

Annexure I

Mystery Shopping Store Results			
Header Information			
FormId		Period	
Regional Name	Western Cape		
Store Name	Mountain Mill	Date of Visit	11-May-10
Time of Visit	16:00	Day of Visit	
Overall Store Result:			
636/761			
83.57%			
SWITCHBOARD EVALUATION (100.00%)			
1	Was the phone answered within ten rings? If NO, how many rings?	Yes	The phone was answered after 4 rings.
2a	Did the person who answered the telephone IDENTIFY the STORE ?	Yes	"The telephonist said, 'PnP Mountain Mill.'"
2b	Did the person who answered the telephone offer a GREETING ?	Yes	"The telephonist said, 'Good day.'"
3	Was the telephonist able to assist you with your query or offer an alternative?	Yes	The telephonist could tell me that they stocked Clover Milk.
4	During your call, would you say that the team member had good listening skills, by paying attention to what you wanted?	Yes	The telephonist had good listening skills.
5	Did the telephonist give you a greeting?	Yes	"The telephonist said, 'Have a nice day.'"
STORE EVALUATION (81.60%)			
COURTESY			
6. Were all staff members in the following service areas correctly dressed in the Pick 'n Pay uniform with a gold name badge?			
a	BAKERY	Yes	"The staff member wore white shirt, blue pants, blue apron and had a new white name badge on."
b	BUTCHERY	No	"The staff member wore white shirt, blue pants and white apron but no name badge was worn."
c	DELI (hot foods and cold meats)	Yes	"The staff member wore white shirt, blue pants, white apron and had a new white name badge on."
d	PRODUCE (Fruit and Vegetables)	Yes	"The staff member wore navy jersey, blue shirt, blue pants and had a new white name badge on."
e	FRESH FOODS (Cheese, Salads, fish)	Yes	"The staff member wore white shirt, blue pants, white apron and had a new white name badge on."
f	FRONTLINE	Yes	"The staff member wore blue shirt, navy jersey, blue pants and had a new white name badge on."
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	"The staff member wore blue shirt, navy jersey, blue pants and had a new white name badge on."
h	SHOP FLOOR (general staff in aisles)	Yes	"The staff members wore blue shirts, navy jerseys, blue pants and had new white name badges on."

7. Was there someone available to assist you in the service areas?

a	BAKERY	Yes	Moira
b	BUTCHERY	Yes	I was assisted by a tall guy in his thirties.
c	DELI (hot foods and cold meats)	Yes	De Leste
d	PRODUCE (Fruit and Vegetables)	Yes	Shaniel
e	FRESH FOODS (Cheese, Salads, fish)	Yes	Ivonne
f	FRONTLINE	Yes	Ruth
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	Wilma

8. Did the staff member smile warmly and make eye contact with you?

a	BAKERY	Yes	
b	BUTCHERY	No	The staff member made eye contact but did not smile.
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	Yes	
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	Yes	
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	

9. Were you greeted in a warm and friendly manner?

a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	Yes	
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	Yes	
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	

10. Were you assisted timeously?

a	BAKERY	No	There were 3 customers waiting to be served.
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	No	There was one customer ahead of me.
d	PRODUCE (Fruit and Vegetables)	No	There was one customer ahead of me.
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	Yes	
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	

11. Did the staff member/s give you their full attention while serving you?			
a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	Yes	
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	Yes	
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	
12. Did the staff member have sufficient product knowledge to assist you?			
a	BAKERY	Yes	I asked the staff member for Garlic bread. The staff member showed me and told me that there was garlic bread with tomatoes in as well.
b	BUTCHERY	Yes	I asked the staff member for raw Ribs. I was told there is none at the moment but I could order some.
c	DELI (hot foods and cold meats)	Yes	I asked the staff member when the Chicken was baked. I was told in the morning.
d	PRODUCE (Fruit and Vegetables)	Yes	I asked the staff member for Brown Mushrooms and was shown to it.
e	FRESH FOODS (Cheese, Salads, fish)	Yes	I asked the staff member for Oysters. I was told that there is none at the moment.
f	FRONTLINE	Yes	I asked the staff member what Airtime was available.
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	I asked the staff member to explain the Return Policy to me. This was done in detail.
13. Were you thanked upon departure?			
a	BAKERY	Yes	"The staff member said, 'Thank you lady.'"
b	BUTCHERY	Yes	"The staff member said, 'Pleasure.'"
c	DELI (hot foods and cold meats)	Yes	"The staff member said, 'Pleasure.'"
d	PRODUCE (Fruit and Vegetables)	Yes	"The staff member said, 'Thank you.'"
e	FRESH FOODS (Cheese, Salads, fish)	Yes	"The staff member said, 'Pleasure ma'am.'"
f	FRONTLINE	Yes	"The staff member said, 'Thank you.'"
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	"The staff member said, 'have a nice day.'"
h	Were there QUEUES at ANY of the service areas ? [IF there more than 3 people: 1 paying and 2 waiting, then select YES and specify which service area]	Yes	There was a queue at the Bakery.
i	If Yes, were all the service points open?	Yes	

FRESH			
14	Were the expiry dates valid for all products?	Yes	
15	Was the produce on display of high quality and fresh, (not bruised, wilted, broken)?	No	The red peppers and white grapes were wilted and had small flies on.
16	Was the product packaging clean and sealed?	Yes	
17	Were the display fridges, shelves and baskets clean and free from any old or discarded products?	Yes	
STOCK			
18	Was the store well-stocked with no vacant spaces on the shelves or display areas ?	No	There was no stock of Arfona Pure Olive Oil 500ml.
19	Were all the shelf-edge labels correct ? (Check the 10 specified items)	Yes	"The following labels were checked and were correct, PnP Toilet Tissue, PnP White Envelope, Teliam Handset Cable 3meter, No Name Benzene 750ml, Squeeze Chutney Peach 470g, Nutella Chocolate Spread 350g, Mawla Milk Chocolate, Bokomo Weetbix, Colgate Caf Nat"
20	Did the cashier convey the sales total to you?	Yes	
21	If you paid by card (credit / debit), did the cashier address you by name once it was known?	N/A	
22	Did the cashier ask if you had your own bags or if he/she could sell you some ?	Yes	
23	Was there a packer available at all the tills?	Yes	
24	Ask the MANAGER/INFORMATION DESK - I have a problem/query with my Go Banking Account, who can assist me?	Yes	I was told that when I pay with a Go Banking card I would receive discount on certain items and at the end of each month I would see the discounted money in my account.
25	Ask the Manager/Supervisor to tell me how Go Banking Money Back/Extra Discounts work	Yes	I was given the Go Banking number to phone.
26	Can I phone GoCCC from your store?	Yes	I could phone from the store.
27	Ask the Cashier How much money can I draw?	No	I was told I could withdraw as much money as I like.
28	Do you have enough money if I want to draw:	Yes	The staff member told me that if she did not have the full amount I required she would get the supervisor to assist me.
MANAGEMENT (100.00%)			
29	Was there a member of management at the front of the store to help you? (Manager on duty)	Yes	Neil
Scenario: Engage in short conversation with the manager (e.g. about refunds, promotions)			
30	Was the manager helpful and courteous towards you?	Yes	
ADDITIONAL COMMENTS			
N/A			

Annexure J

Mystery Shopping Store Results			
Header Information			
FormId		Period	
Regional Name	Western Cape		
Store Name	Somerset Mall	Date of Visit	01-March-10
Time of Visit	12:00	Day of Visit	
Overall Store Result:			
559/761			
73.46%			
SWITCHBOARD EVALUATION (100.00%)			
1	Was the phone answered within ten rings? If NO, how many rings?	Yes	The phone was answered after 5 rings.
2a	Did the person who answered the telephone IDENTIFY the STORE ?	Yes	"The telephonist said, 'PnP Somerset Mall.'"
2b	Did the person who answered the telephone offer a GREETING ?	Yes	"The telephonist said, 'Good morning.'"
3	Was the telephonist able to assist you with your query or offer an alternative?	Yes	The telephonist was able to tell me that they did not have an Audio-Visual Department in the store.
4	During your call, would you say that the team member had good listening skills, by paying attention to what you wanted?	Yes	The telephonist had good listening skills.
5	Did the telephonist give you a greeting?	Yes	The telephonist offered me a greeting.
STORE EVALUATION (70.40%)			
COURTESY			
6. Were all staff members in the following service areas correctly dressed in the Pick 'n Pay uniform with a gold name badge?			
a	BAKERY	Yes	"The staff member wore white jacket, checked PnP pants, hairnet, apron and had a new white name badge on."
b	BUTCHERY	Yes	"The staff member wore white jacket, navy pants, hairnet had a new white name badge on."
c	DELI (hot foods and cold meats)	Yes	"The staff member wore white jacket, navy pants, hairnet had a new white name badge on."
d	PRODUCE (Fruit and Vegetables)	Yes	"The staff member wore grey pants, white shirt with tie and had a new white name badge on. The staff member was promoting school uniforms."
e	FRESH FOODS (Cheese, Salads, fish)	Yes	"The staff member wore white jacket, navy skirt, hairnet, apron had a new white name badge on."
f	FRONTLINE	Yes	"The staff member wore blue jeans, striped Golf T-shirt and had a new white name badge on."
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	"The staff member wore blue jeans, striped Golf T-shirt and had a new white name badge on."
h	SHOP FLOOR (general staff in aisles)	Yes	"The staff members wore blue jeans, Striped Golf T-shirts and had new white name badges on."

7. Was there someone available to assist you in the service areas?			
a	BAKERY	Yes	Thembelani
b	BUTCHERY	Yes	Margrette
c	DELI (hot foods and cold meats)	Yes	Francina
d	PRODUCE (Fruit and Vegetables)	Yes	Luanda
e	FRESH FOODS (Cheese, Salads, fish)	Yes	Noludwe
f	FRONTLINE	Yes	Nomhle
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	Sana
8. Did the staff member smile warmly and make eye contact with you?			
a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	No	The staff member made eye contact but did not smile.
e	FRESH FOODS (Cheese, Salads, fish)	No	The staff member made eye contact but did not smile.
f	FRONTLINE	No	The staff member made eye contact but did not smile.
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	
9. Were you greeted in a warm and friendly manner?			
a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	No	No greeting was offered.
e	FRESH FOODS (Cheese, Salads, fish)	No	No greeting was offered.
f	FRONTLINE	No	No greeting was offered.
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	
10. Were you assisted timeously?			
a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	Yes	
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	Yes	
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	

11. Did the staff member/s give you their full attention while serving you?			
a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	Yes	
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	Yes	
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	
12. Did the staff member have sufficient product knowledge to assist you?			
a	BAKERY	Yes	I asked the staff member for Cheese Wedges. The staff member immediately showed me what was on offer.
b	BUTCHERY	Yes	I asked the staff member for Beef and Lamb Sausages. I was shown immediately.
c	DELI (hot foods and cold meats)	Yes	I asked the staff member for Roers Polony. The staff member showed me.
d	PRODUCE (Fruit and Vegetables)	Yes	I asked the staff member for Strawberries. The staff member told me that they were still waiting on the supplier.
e	FRESH FOODS (Cheese, Salads, fish)	Yes	I asked the staff member for Angel Fish. I was told that there is none but they would be getting some in the following day.
f	FRONTLINE	Yes	I asked the staff member how much money I can withdraw.
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	I asked the staff member to explain the Return Policy to me. This was done in detail.
13. Were you thanked upon departure?			
a	BAKERY	Yes	I was thanked upon departure.
b	BUTCHERY	Yes	I was thanked upon departure.
c	DELI (hot foods and cold meats)	Yes	I was thanked upon departure.
d	PRODUCE (Fruit and Vegetables)	No	No greeting was offered.
e	FRESH FOODS (Cheese, Salads, fish)	No	No greeting was offered.
f	FRONTLINE	No	No greeting was offered.
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	I was thanked upon departure.
h	CLOTHING	NULL	NULL
14	Were there QUEUES at ANY of the service areas ? [IF there more than 3 people: 1 paying and 2 waiting, then select YES and specify which service area]	Yes	"There were queues at the bakery, Deli and Fresh Foods departments."
15	If Yes, were all the service points open?	Yes	All the staff members went forward to serve the customers.

FRESH			
16	Were the expiry dates valid for all products?	Yes	
17	Was the produce on display of high quality and fresh, (not bruised, wilted, broken)?	Yes	
18	Was the product packaging clean and sealed?	Yes	
19	Were the display fridges, shelves and baskets clean and free from any old or discarded products?	Yes	
STOCK			
20	Was the store well-stocked with no vacant spaces on the shelves or display areas ?	Yes	
21	Were all the shelf-edge labels correct ? (Check the 10 specified items)	Yes	"The following items were checked, Nussbaum's French Polony, Honey Squeeze Champ 500g, Q Bee Honey Jar 500g, Fibre Plus Cereal 375g, Nestle Cocoa 250g, Cremora Pouch 250g, Teabags Clear Green, Espresso Rooibos Tea 250g, Apple Juice 350ml and Granadilla Juic"
FRONTLINE (69.77%)			
22	Did the cashier convey the sales total to you?	No	My total was not conveyed back to me.
23	If you paid by card (credit / debit), did the cashier address you by name once it was known?	N/A	
24	Did the cashier ask if you had your own bags or if he/she could sell you some ?	Yes	
25	Was there a packer available at all the tills?	Yes	
26	Ask the MANAGER/INFORMATION DESK - I have a problem/query with my Go Banking Account, who can assist me?	Yes	I was told that when I pay with a GO Banking Card I would receive discount on certain items. At the end of the month I would see the discounted money in my account or on my statement.
27	Ask the Manager/Supervisor to tell me how Go Banking Money Back/Extra Discounts work	Yes	The manager assisted me.
28	Can I phone GoCCC from your store?	Yes	I could use the stores phone.
29	Ask the Cashier - How much money can I draw?	Yes	My daily ATM limit.
30	Do you have enough money if I want to draw:	Yes	The cashier told me that if she does not have the full amount I want to withdraw she would get the supervisor to assist me.
MANAGEMENT (100.00%)			
31	Was there a member of management at the front of the store to help you? (Manager on duty)	Yes	The Manager was at the front.
Scenario: Engage in short conversation with the manager (e.g. about refunds, promotions)			
32	Was the manager helpful and courteous towards you?	Yes	The manager Louis was very helpful.
ADDITIONAL COMMENTS			
<i>The store was neat and clean.</i>			

Annexure K

Mystery Shopping Store Results			
Header Information			
FormId		Period	
Regional Name	Western Cape		
Store Name	Somerset Mall	Date of Visit	11 May 2010
Time of Visit	16:00	Day of Visit	
SWITCHBOARD EVALUATION (60.00%)			
1	Was the phone answered within ten rings? If NO, how many rings?	No	I phoned the store 5 times on Saturday 2010/05/08 and it rang for more than 20 times. The phone was not answered. When I called the following day the phone was answered after 3 rings.
2a	Did the person who answered the telephone IDENTIFY the STORE ?	Yes	The telephonist said, 'PnP Somerset Mall.'
2b	Did the person who answered the telephone offer a GREETING ?	Yes	The telephonist said, 'Hello.'
3	Was the telephonist able to assist you with your query or offer an alternative?	Yes	I asked if they stocked TV's. The telephonist told me no and advised me to go a PnP Hypermarket.
4	Did the telephonist give you a greeting?	Yes	The telephonist said, 'Good bye.'
OVERALL (85.83%)		STORE	RESULT
SECTION 1 - SERVICE (73.80%)			
<i>Today and every day our people will always give you great SERVICE</i>			
IN STORE (60.00%)			
<i>1.1 Was there someone available to assist you in the service areas?</i>			
a	BAKERY	Yes	Robyn
b	BUTCHERY	Yes	Desiree
c	DELI (cold meats)	Yes	Yuyokazi
d	DELI (hot foods)	Yes	Daphane
e	PRODUCE (Fruit and Vegetables)	Yes	Xolisa
f	FRESH FOODS (Cheese, Salads, fish)	Yes	Irene
g	FRONTLINE	Yes	Haadiyah
h	DIY (Mostly Hypers, including Pool, Curtains, Outdoor, Gardening, Paints)		
i	RETURNS / REFUNDS / REPAIRS Counter	Yes	Jill

1.2 Did the staff member smile warmly and make eye contact with you?

a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (cold meats)	Yes	
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	Yes	
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	
h	DIY (Mostly Hypers, including Pool, Curtains, Outdoor, Gardening, Paints)		
i	RETURNS / REFUNDS / REPAIRS Counter	Yes	

1.3 Were you greeted in a warm and friendly manner?

a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (cold meats)	Yes	
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	Yes	
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	
h	DIY (Mostly Hypers, including Pool, Curtains, Outdoor, Gardening, Paints)		
i	RETURNS / REFUNDS / REPAIRS Counter	Yes	

1.4 Did the staff member/s give you their full attention while serving you?

a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (cold meats)	Yes	
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	Yes	
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	
h	HOUSEWARE		
i	RETURNS / REFUNDS / REPAIRS Counter	Yes	

1.5 Were you thanked upon departure?

a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (cold meats)	Yes	
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	Yes	
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	
h	HOUSEWARE		
i	RETURNS / REFUNDS / REPAIRS Counter	Yes	

FRONTLINE (89.66%)

1.6	Did the cashier convey the sales total to you?	Yes	
1.7	If you paid by card (credit / debit), did the cashier address you by name once it was known?	N/A	
1.8	Did the cashier ask you if you had a Vitality card?	No	The staff member did not mention anything to me about a Vitality card.
1.9	Did the cashier ask if you had your own bags or if he/she could sell you some ?	Yes	
1.10	Was there a packer available at all the tills?	Yes	
1.11	Was there a frontline supervisor visible?	Yes	
1.12	Ask the Cashier - How much money can I draw? Did the cashier mention that you are able to draw your daily ATM limit	Yes	I was told I could withdraw my daily ATM limit.
1.13	Ask the cashier if you are able to draw this amount. (They must have these amounts or will get the money or call a supervisor to get the money) Did the cashier give you the correct answer	Yes	The cashier told me that if she did not have the required amount I wanted, she would get the supervisor to assist me.

SECTION 2 - FRESH (73.05%)

FRESH (71.43%)

Today and every day our products will always be absolutely FRESH

2.1	Were the expiry dates valid for all products?	No	The PnP Assorted Bagels expiry date was 2010/05/07.
2.2	Was the produce on display of high quality and fresh, (not bruised, wilted, broken)?	Yes	
2.3	Was the product packaging clean and sealed?	Yes	
2.4	Were the display fridges, shelves and baskets clean and free from any old or discarded products?	Yes	
2.5	Are the trading area floors clean?	No	The produce department and Cheese Section were very dirty.
2.6	Were there trolleys and baskets available?	Yes	
2.7	If there were, were they clean?	Yes	

STORE STAFF STANDARDS (100.00%)

2.8. Were all staff members in the following service areas correctly dressed in the Pick 'n Pay uniform with a White/Gold name badge?

a	BAKERY	Yes	The staff member wore a white jacket, hairnet, navy PnP pants and had a new white name badge on.
b	BUTCHERY	Yes	The staff member wore white jacket, hairnet, navy pants and had a new white name badge on.
c	DELI (cold meats)	Yes	The staff member wore white jacket, hairnet, navy pants and had a new white name badge on.
d	DELI (hot foods)	Yes	The staff member wore white jacket, hairnet, navy pants and had a new white name badge on.
e	PRODUCE (Fruit and Vegetables)	Yes	The staff member wore striped PnP Golf shirt, jeans and had a new white name badge on.
f	FRESH FOODS (Cheese, Salads, fish)	Yes	The staff member wore white jacket, hairnet, navy pants and had a new white name badge on.
g	FRONTLINE	Yes	The cashier wore striped PnP Golf shirt, jeans and had a new white name badge on.
h	AUDIO-VISUAL (Hi-Fi, Computers, CD's, Photolab)		
i	RETURNS / REFUNDS / REPAIRS Counter	Yes	The staff member wore striped PnP Golf shirt and had a new white name badge on.
j	SHOP FLOOR	Yes	The staff members wore orange, green, striped PnP Golf shirts, jeans and had new white name badges on.

SECTION 3 - STORE STOCK (80.00%)

Today and everyday if we are out of stock, we'll do our best to deliver to you within 24 hours

3.1	Was the store well-stocked with no vacant spaces on the shelves or display areas?	Yes	The store was well stocked.
3.2	Were all the shelf-edge labels correct? (Check the 10 specified items)	Yes	The following shelf edge labels were checked, Lion Fire Lighters, Lion Matches, Kellogg's All Bran Flakes 750g, Nando's Peri-Peri Sauce 250ml, PnP Cooking Oil, Twin Savers Tissues 200, John West Tuna 120g, Koo Butter Beans 410g, Bull Brand Corned Beef 300
3.3	Missing Shelf edge labels?	Yes	There was no price displayed for Addis Waste Bin.
3.4	Was each merchandise trolley attended by a merchandiser?	Yes	
3.5	Were the aisles clean and uncluttered (no excess merchandise and unpacked boxes)?	Yes	
3.6	If there was an Out of Stock product were the staff able to assist you?	Yes	

SECTION 4 - QUEUES (100.00%)			
Today and everyday there will be no queues unless all the tills are open			
4.1	Were there QUEUES at ANY of the service areas ? [IF there more than 3 people: 1 paying and 2 waiting, then select YES and specify which service area]	No	There were no queues.
4.2	If Yes, were all the service points open?	N/A	
4.3	Were there QUEUES in the frontline area?	No	
4.4	If YES, were all the tills open?	N/A	There were no queues.
SECTION 5 - MANAGEMENT (100.00%)			
Today and everyday a manager will always be at the front of the store to help you			
5.1	Was there a member of management at the front of the store to help you? (Manager on duty)	Yes	
<i>Scenario: Engage in short conversation with the manager (e.g. about refunds, promotions,)</i>			
5.2	Was the manager helpful and courteous towards you?	Yes	
5.3	Managers Name.	Louis	
SECTION 6 - GO BANKING			
6.1	Ask the Manager/Supervisor to tell me how GO Banking Money Back/Extra Discounts work?	Yes	I was told that I would receive discount on certain items when paying with a Go Banking and at the end of each month I would see the discounted money in my account.
6.2	Ask the MANAGER/INFORMATION DESK - I have a problem/query with my GO Banking Account, who can assist me?		I was given the Go Banking customer care number to phone.
6.3	Can I phone GO Banking from your store?	Yes	I was told I could phone from the store.
SECTION 7 - MARKETING/PROMOTIONS			
7.1	Were promotional advertised lines in stock? (Please indicate what was on promotion you must pick up a pamphlet and check 10 items)	Yes	The following items were checked, Today Sausage Rolls, Pineapples, Cadbury Whispers 150g, Appetizer 750ml, Nestle Quality Street 200g, Sunlight Soap 500g, Huletts Sugar 5kg, Country Fresh Chicken Fillets, Jik 750ml and Joko Tea.
7.2	Check sell by dates on the advertised lines.	Yes	
7.3	What CSI is visible at till point – example (Current Inspired to uplift)		There was no CSI at the till point.
7.4	Product and price promotional brochures available.	No	There were no promotional brochures visible.
ADDITIONAL COMMENTS			
<i>There were no promotional brochures available, I checked the promotional items from a brochure I had. I phoned the store 5 times on Saturday 2010/05/08 and it rang for more than 20 times. The phone was not answered. When I called the following day the pho</i>			

Annexure L

Mystery Shopping Store Results			
Header Information			
FormId		Period	
Regional Name	Western Cape		
Store Name	Pinelands	Date of Visit	01 March 2010
Time of Visit	12:00	Day of Visit	
SWITCHBOARD EVALUATION (100.00%)			
1	Was the phone answered within ten rings? If NO, how many rings?	Yes	The telephone was answered after one ring.
2a	Did the person who answered the telephone IDENTIFY the STORE ?	Yes	The telephonist correctly identified the store.
2b	Did the person who answered the telephone offer a GREETING ?	Yes	The telephonist said, 'Good day sir, how may I assist you.'
3	Was the telephonist able to assist you with your query or offer an alternative?	Yes	The telephonist was able to put me thought to the Health Department where I was assisted with my query of Spiralina tablets.
4	Did the telephonist give you a greeting?	Yes	The telephonist offered me a greeting.
OVERALL	STORE	RESULT	
(67.33%)			
SECTION 1 - SERVICE (54.97%)			
Today and every day our people will always give you great SERVICE			
IN STORE (40.00%)			
1.1 Was there someone available to assist you in the service areas?			
a	BAKERY	Yes	Kweyikayi
b	BUTCHERY	Yes	Roedolf
c	DELI (cold meats)	Yes	Funeka
d	DELI (hot foods)	Yes	Lydia
e	PRODUCE (Fruit and Vegetables)	Yes	Donovan
f	FRESH FOODS (Cheese, Salads, fish)	Yes	Colleen
g	FRONTLINE	Yes	Alice
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	Anthea
i	CLOTHING	Yes	Anthea

1.2 Did the staff member smile warmly and make eye contact with you?

a	BAKERY	No	The staff member made eye contact but did not smile.
b	BUTCHERY	No	No smile was offered but the staff member made eye contact.
c	DELI (cold meats)	No	The staff member made eye contact but did not smile.
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	Yes	
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	

1.3 Were you greeted in a warm and friendly manner?

a	BAKERY	No	No greeting was offered.
b	BUTCHERY	No	No greeting was offered.
c	DELI (cold meats)	No	No greeting was offered.
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	Yes	
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	

1.4 Did the staff member/s give you their full attention while serving you?

a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (cold meats)	Yes	
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	Yes	
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	

1.5 Were you thanked upon departure?

a	BAKERY	No	No greeting was offered.
b	BUTCHERY	No	No greeting was offered.
c	DELI (cold meats)	No	No greeting was offered.
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	Yes	
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	

FRONTLINE (71.43%)			
1.6	Did the cashier convey the sales total to you?	No	My sales total was not conveyed to me.
1.7	If you paid by card (credit / debit), did the cashier address you by name once it was known?	N/A	
1.8	Did the cashier ask you if you had a Vitality card?	No	Nothing was mentioned to me about a Vitality Card.
1.9	Did the cashier ask if you had your own bags or if he/she could sell you some ?	Yes	
1.10	Was there a packer available at all the tills?	Yes	
1.11	Was there a frontline supervisor visible?	Yes	
1.12	Ask the Cashier - How much money can I draw? Did the cashier mention that you are able to draw your daily ATM limit	Yes	My daily ATM limit.
1.13	Ask the cashier if you are able to draw this amount. (They must have these amounts or will get the money or call a supervisor to get the money) Did the cashier give you the correct answer	Yes	The cashier told me if she did not have the full amount she would get the supervisor to assist me.

SECTION 2 - FRESH (100.00%)

FRESH (100.00%)

Today and every day our products will always be absolutely FRESH

2.1	Were the expiry dates valid for all products?	Yes	
2.2	Was the produce on display of high quality and fresh, (not bruised, wilted, broken)?	Yes	
2.3	Was the product packaging clean and sealed?	Yes	
2.4	Were the display fridges, shelves and baskets clean and free from any old or discarded products?	Yes	
2.5	Are the trading area floors clean?	Yes	
2.6	Were there trolleys and baskets available?	Yes	
2.7	If there were, were they clean?	Yes	

STORE STAFF STANDARDS (100.00%)

2.8. Were all staff members in the following service areas correctly dressed in the Pick 'n Pay uniform with a White/Gold name badge?

a	BAKERY	Yes	The staff member wore navy pants, white shirt, apron, hairnet and had a new white name badge on.
b	BUTCHERY	Yes	The staff member wore navy pants, white shirt, hairnet and had a new white name badge on.
c	DELI (cold meats)	Yes	The staff member wore checked pants, white shirt, hairnet and had a new white name badge on.
d	DELI (hot foods)	Yes	The staff member wore checked pants, white shirt, hairnet, apron and had a new white name badge on.
e	PRODUCE (Fruit and Vegetables)	Yes	The staff member wore navy pants, checked shirt, navy jersey and had a new white name badge on.
f	FRESH FOODS (Cheese, Salads, fish)	Yes	The staff member wore checked pants, white shirt, hairnet, apron and had a new white name badge on.
g	FRONTLINE	Yes	The staff member wore navy pants, checked shirt, navy jersey and had a new white name badge on.
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	The staff member wore navy pants, checked shirt, navy jersey and had a new white name badge on.
i	SHOP FLOOR	Yes	The staff member wore navy pants, checked shirt, navy jersey and had a new white name badge on.

SECTION 3 - STORE STOCK (85.00%)			
Today and everyday if we are out of stock, we'll do our best to deliver to you within 24 hours			
3.1	Was the store well-stocked with no vacant spaces on the shelves or display areas?	Yes	
3.2	Were all the shelf-edge labels correct? (Check the 10 specified items)	Yes	
3.3	Missing Shelf edge labels?	No	
3.4	Was each merchandise trolley attended by a merchandiser?	Yes	
3.5	Were the aisles clean and uncluttered (no excess merchandise and unpacked boxes)?	Yes	
3.6	If there was an Out of Stock product were the staff able to assist you?	No	
SECTION 4 - QUEUES (.00%)			
Today and everyday there will be no queues unless all the tills are open			
4.1	Were there QUEUES at ANY of the service areas? [IF there more than 3 people: 1 paying and 2 waiting, then select YES and specify which service area]	Yes	
4.2	If Yes, were all the service points open?	Yes	
4.3	Were there QUEUES in the frontline area?	Yes	
4.4	If YES, were all the tills open?	Yes	
SECTION 5 - MANAGEMENT (100.00%)			
Today and everyday a manager will always be at the front of the store to help you			
5.1	Was there a member of management at the front of the store to help you? (Manager on duty)	Yes	Barbara the manager was at the front of the store.
<i>Scenario: Engage in short conversation with the manager (e.g. about refunds, promotions,)</i>			
5.2	Was the manager helpful and courteous towards you?	Yes	
5.3	Managers Name.		Gerrit was very helpful.
SECTION 6 - GO BANKING			
6.1	Ask the Manager/Supervisor to tell me how GO Banking Money Back/Extra Discounts work?	Yes	The Manager told me that I would receive discount on certain items when paying with a Go Banking card and at the end of each month I would see the discounted money in my account.
6.2	Ask the MANAGER/INFORMATION DESK - I have a problem/query with my GO Banking Account, who can assist me?		Barbara assists me and gave me the Customer Careline Number for Go Banking.
6.3	Can I phone GO Banking from your store?	Yes	I could phone from the store.
SECTION 7 - MARKETING/PROMOTIONS			
7.1	Were promotional advertised lines in stock? (Please indicate what was on promotion you must pick up a pamphlet and check 10 items)	Yes	The following items were checked, Italian Pizza 758g, Nice and Easy Ready Meals 500g, Escort Pork Sausages 375g, Today Sausage Rolls, Rainbow Fingers 400g, Parmalat Fabulite Yogurt 175ml, Rama Brick 500g, Clover Danone Yogurt Fruit 100g,
7.2	Check sell by dates on the advertised lines.	Yes	ok
7.3	What CSI is visible at till point - example (Current Inspired to uplift)		Inspired to get it right was visible.
7.4	Product and price promotional brochures available.	Yes	
ADDITIONAL COMMENTS			
<i>The manager Gerrit was very friendly. The supermarket was nice and clean.</i>			

Annexure M

Mystery Shopping Store Results			
Header Information			
FormId		Period	
Regional Name	Western Cape		
Store Name	Pinelands	Date of Visit	11-May-10
Time of Visit	16:00	Day of Visit	
Overall Store Result:			
941/1001			
94.01%			
SWITCHBOARD EVALUATION (100.00%)			
1	Was the phone answered within ten rings? If NO, how many rings?	Yes	The phone was answered after 4 rings.
2a	Did the person who answered the telephone IDENTIFY the STORE ?	Yes	"The telephonist said, 'PnP Constantia.'"
2b	Did the person who answered the telephone offer a GREETING ?	Yes	"The telephonist said, 'Hello.'"
3	Was the telephonist able to assist you with your query or offer an alternative?	Yes	The telephonist was able to tell what time they closed.
4	During your call, would you say that the team member had good listening skills, by paying attention to what you wanted?	Yes	The telephonist had good listening skills.
5	Did the telephonist give you a greeting?	Yes	"The telephonist said, 'Good bye.'"
STORE EVALUATION (97.11%)			
COURTESY			
6. Were all staff members in the following service areas correctly dressed in the Pick 'n Pay uniform with a gold name badge?			
a	BAKERY	Yes	"The staff member wore white jacket, navy pants, hairnet and had an old Gold name badge on."
b	BUTCHERY	Yes	"The staff member wore white jacket, charcoal PnP pants, hairnet and white boots and had a new white name badge on."
c	DELI (hot foods and cold meats)	Yes	"The staff member wore white jacket, navy pants, hairnet and had a new white name badge on."
d	PRODUCE (Fruit and Vegetables)	Yes	"The staff member wore white jacket, navy pants, hairnet and had a new white name badge on."
e	FRESH FOODS (Cheese, Salads, fish)	Yes	"The staff member wore white jacket, charcoal PnP pants, hairnet and had a new white name badge on."
f	FRONTLINE	Yes	"The staff member wore orange PnP shirt, charcoal pants and had a new white name badge on."
g	DIY (Mostly Hypers, including Pool, Curtains, Outdoor, Gardening, Paints)	Yes	"The staff member wore green PnP shirt, navy jersey, navy skirt and had a new white name badge on."
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	"The staff member wore green PnP shirt, charcoal jersey, charcoal pants and had a new white name badge on."
i	SHOP FLOOR (general staff in aisles)	Yes	"The staff members wore green and orange PnP shirts, charcoal pants and had new white name badges on."

7. Was there someone available to assist you in the service areas?			
a	BAKERY	Yes	Noxolo
b	BUTCHERY	Yes	Loretta
c	DELI (hot foods and cold meats)	Yes	Vuyokazi
d	PRODUCE (Fruit and Vegetables)	Yes	Francois
e	FRESH FOODS (Cheese, Salads, fish)	Yes	David
f	FRONTLINE	Yes	Rasaad
g	DIY (Mostly Hypers, including Pool, Curtains, Outdoor, Gardening, Paints)	Yes	Niaomi
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	Tania
8. Did the staff member smile warmly and make eye contact with you?			
a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	Yes	
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	Yes	
g	AUDIO-VISUAL (Hi-Fi, Computers, CD's, Photolab)	Yes	
h	DIY (Mostly Hypers, including Pool, Curtains, Outdoor, Gardening, Paints)	Yes	
i	RETURNS / REFUNDS / REPAIRS Counter	Yes	
9. Were you greeted in a warm and friendly manner?			
a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	Yes	
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	Yes	
g	DIY (Mostly Hypers, including Pool, Curtains, Outdoor, Gardening, Paints)	Yes	
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	
10. Were you assisted timeously?			
a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	Yes	
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	Yes	
g	DIY (Mostly Hypers, including Pool, Curtains, Outdoor, Gardening, Paints)	Yes	
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	

11. Did the staff member/s give you their full attention while serving you?			
a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	Yes	
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	Yes	
g	DIY (Mostly Hypers, including Pool, Curtains, Outdoor, Gardening, Paints)	Yes	
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	
12. Did the staff member have sufficient product knowledge to assist you?			
a	BAKERY	Yes	I asked the staff member what Jam was on the Jam Doughnuts. I was told Apricot Jam.
b	BUTCHERY	Yes	I asked the staff member what Jam was on the Jam Doughnuts. I was told Apricot Jam.
c	DELI (hot foods and cold meats)	Yes	I asked the staff member if there were only one brand of Frank Furthers. The staff member told me yes.
d	PRODUCE (Fruit and Vegetables)	Yes	I asked the staff member for pre packed Cauliflower. I was pointed into the correct direction.
e	FRESH FOODS (Cheese, Salads, fish)	Yes	"I asked the staff member if there were Onions in the Beet Root salad. The staff member said, 'Yes.'"
f	FRONTLINE	Yes	I asked the cashier what the price of the plastic bags was.
g	DIY (Mostly Hypers, including Pool, Curtains, Outdoor, Gardening, Paints)	Yes	I asked the staff member for potted Parsley. The staff member told me there were only seeds in packets available.
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	I asked the staff member to explain the Return Policy to me. This was done in detail.
13. Were you thanked upon departure?			
a	BAKERY	Yes	"The staff member said, 'Thank you.'"
b	BUTCHERY	Yes	"The staff member said, 'Thank you.'"
c	DELI (hot foods and cold meats)	Yes	"The staff member said, 'Thank you.'"
d	PRODUCE (Fruit and Vegetables)	Yes	"The staff member said, 'Thank you.'"
e	FRESH FOODS (Cheese, Salads, fish)	Yes	"The staff member said, 'Thank you.'"
f	FRONTLINE	Yes	"The staff member said, 'Thank you.'"
g	DIY (Mostly Hypers, including Pool, Curtains, Outdoor, Gardening, Paints)	Yes	"The staff member said, 'Thank you.'"
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	"The staff member said, 'Thank you.'"
i	Were there QUEUES at ANY of the service areas ? [IF there more than 3 people: 1 paying and 2 waiting, then select YES and specify which service area]	No	
j	If Yes, were all the service points open?	N/A	

FRESH			
1	Were the expiry dates valid for all products?	Yes	
2	Was the produce on display of high quality and fresh, (not bruised, wilted, broken)?	Yes	
3	Was the product packaging clean and sealed?	Yes	
4	Were the display fridges, shelves and baskets clean and free from any old or discarded products?	Yes	
STOCK			
5	Was the store well-stocked with no vacant spaces on the shelves or display areas ?	No	There was no stock of Anat Pizza Bases.
6	Were all the shelf-edge labels correct ? (Check the 10 specified items)	No	"There were no prices displayed for Humpty Dumpty Eggs Large and the loose selling Chillies. The following shelf edge labels were correct, PnP Summer Tango 280g, PnP Grapes 1.5Kg, PnP Carrots 1Kg, PnP Baby Marrows 400g, Knorr Greek Dressing 340ml, Jungle Ene"
FRONTLINE (86.05%)			
7	Did the cashier convey the sales total to you?	Yes	
8	If you paid by card (credit / debit), did the cashier address you by name once it was known?	N/A	
9	Did the cashier ask if you had your own bags or if he/she could sell you some ?	Yes	
10	Was there a packer available at all the tills?	Yes	
11	Ask the MANAGER/INFORMATION DESK - I have a problem/query with my Go Banking Account, who can assist me?	Yes	I was told that when I pay with a GO Banking Card I would receive discount on certain items. At the end of the month I would see the discounted money in my account or on my statement.
12	Ask the Manager/Supervisor to tell me how Go Banking Money Back/Extra Discounts work	Yes	I was advice to go to my nearest Nedbank branch for Go Banking queries.
13	Can I phone GoCCC from your store?	Yes	I could use the phone from the store.
14	Ask the Cashier - How much money can I draw?	No	The cashier told me I could withdraw any amount.
15	Do you have enough money if I want to draw:	Yes	The cashier told me that if she does not have the full amount I want to withdraw she would get the supervisor to assist me.
MANAGEMENT (33.33%)			
16	Was there a member of management at the front of the store to help you? (Manager on duty)	No	The management team was inside the office.
Scenario: Engage in short conversation with the manager (e.g. about refunds, promotions)			
17	Was the manager helpful and courteous towards you?	Yes	Maggie
ADDITIONAL COMMENTS			
I asked the staff member at the Butchery if there was Lemon Pork Kebabs. The staff member told me no but offered to make me some while I was doing my shopping.			

Annexure N

Mystery Shopping Store Results			
Header Information			
FormId		Period	
Regional Name	Western Cape		
Store Name	Elite Super Spar	Date of Visit	01-Mar-10
Time of Visit	12:00	Day of Visit	
Overall Store Result:			
619/761			
81.34%			
SWITCHBOARD EVALUATION (100.00%)			
1	Was the phone answered within ten rings? If NO, how many rings?	Yes	The phone was answered after 3 rings.
2a	Did the person who answered the telephone IDENTIFY the STORE ?	Yes	"The telephonist said, Elite Super Spar."
2b	Did the person who answered the telephone offer a GREETING ?	Yes	"The telephonist said, 'Good day sir.'"
3	Was the telephonist able to assist you with your query or offer an alternative?	Yes	I asked the telephonist if they will be having Easter promotions during the Easter month. The telephonist told me yes because of their competitors they will be having Easter promotions.
4	During your call, would you say that the team member had good listening skills, by paying attention to what you wanted?	Yes	The telephonist listened and answered me accordingly.
5	Did the telephonist give you a greeting?	Yes	The telephonist offered me a greeting.
STORE EVALUATION (80.00%)			
COURTESY			
6. Were all staff members in the following service areas correctly dressed in Spar uniform with a name badge?			
a	BAKERY	Yes	"The staff member wore navy pants, white jacket, hairnet and had a new white name badge on."
b	BUTCHERY	Yes	"The staff member wore checked pants, white jacket, hairnet and had a name badge on."
c	DELI (hot foods and cold meats)	Yes	"The staff member wore navy pants, white jacket, hairnet and had a name badge on."
d	PRODUCE (Fruit and Vegetables)	Yes	"The staff member wore navy pants, checked shirt, navy pullover and had a name badge on."
e	FRESH FOODS (Cheese, Salads, fish)	Yes	"The staff member wore navy pants, white jacket, hairnet and had a new white name badge on."
f	FRONTLINE	Yes	"The staff member wore navy pants, checked shirt, hairnet and had a name badge on."
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	"The staff member wore navy pants, checked shirt, navy jersey and had a name badge on."
h	SHOP FLOOR (general staff in aisles)	Yes	"The staff members wore navy pants, checked shirts and had a name badges on."

7. Was there someone available to assist you in the service areas?

a	BAKERY	Yes	Neo
b	BUTCHERY	Yes	Zolwa
c	DELI (hot foods and cold meats)	Yes	Susie-Anne
d	PRODUCE (Fruit and Vegetables)	Yes	Portia
e	FRESH FOODS (Cheese, Salads, fish)	Yes	Susie-Anne from the Deli assisted me again.
f	FRONTLINE	Yes	Phumeya
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	Bernadette

8. Did the staff member smile warmly and make eye contact with you?

a	BAKERY	No	The staff member was not friendly at all but eye contact was made.
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	Yes	
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	No	The staff member made eye contact but no smile was offered.
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	

9. Were you greeted in a warm and friendly manner?

a	BAKERY	No	No greeting was offered.
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	Yes	
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	No	No greeting was offered.
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	

10. Were you assisted timeously?

a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	Yes	
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	Yes	
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	

11. Did the staff member/s give you their full attention while serving you?

a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	Yes	
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	Yes	
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	

12. Did the staff member have sufficient product knowledge to assist you?

a	BAKERY	Yes	I asked the staff member for Forcassia Bread. I was told that it is all sold out and they would have some the following day.
b	BUTCHERY	Yes	I asked the staff member for Beef and Lamb Sausage. The staff member told me no they would only have some on the following Monday.
c	DELI (hot foods and cold meats)	Yes	I asked the staff member for Roers French Polony. The staff member told me they only had Enterprise Fresh Polony.
d	PRODUCE (Fruit and Vegetables)	Yes	I asked the staff member for Brown Mushrooms. The staff member told me they did not have any because they are still waiting on the supplier.
e	FRESH FOODS (Cheese, Salads, fish)	Yes	I asked the staff member if he could cut the Angel Fish for me. The staff member told me yes.
f	FRONTLINE	Yes	I asked the staff member how much money I could withdraw. I was told my daily ATM limit.
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	I asked the staff member to explain the Return Policy to me. The staff member answered my question with ease.

13. Were you thanked upon departure?

a	BAKERY	No	No greeting was offered.
b	BUTCHERY	Yes	I was thanked in a friendly manner.
c	DELI (hot foods and cold meats)	Yes	The staff member thanked me politely.
d	PRODUCE (Fruit and Vegetables)	Yes	I was offered a greeting.
e	FRESH FOODS (Cheese, Salads, fish)	Yes	The staff member thanked me.
f	FRONTLINE	No	No greeting was offered.
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	The staff member thanked me in a friendly manner.
14	Were there QUEUES at ANY of the service areas ? [IF there more than 3 people: 1 paying and 2 waiting, then select YES and specify which service area]	Yes	There was a queue at the Bakery.
15	If Yes, were all the service points open?	Yes	All the staff members went forward to assist.

FRESH			
16	Were the expiry dates valid for all products?	Yes	
17	Was the produce on display of high quality and fresh, (not bruised, wilted, broken)?	Yes	
18	Was the product packaging clean and sealed?	Yes	
19	Were the display fridges, shelves and baskets clean and free from any old or discarded products?	Yes	
STOCK			
20	Was the store well-stocked with no vacant spaces on the shelves or display areas ?	Yes	
21	Were all the shelf-edge labels correct ? (Check the 10 specified items)	Yes	"The following shelf edge labels were checked and were correct, Pasta Sauce Roasted Mushroom 400g, Soya Mince Minestrone 100g, Rice Aromatic Basmati 1Kg, Speckled Beans 500g, Soup Thick Vegetable 54g, Oxtail Soup 62g, Battered Fish Portion 400g, PnP Ginger "
FRONTLINE (69.77%)			
22	Did the cashier convey the sales total to you?	No	My total was not conveyed back to me.
23	If you paid by card (credit / debit), did the cashier address you by name once it was known?	N/A	
24	Did the cashier ask if you had your own bags or if he/she could sell you some ?	Yes	
25	Was there a packer available at all the tills?	Yes	
26	Ask the MANAGER/INFORMATION DESK - I have a problem/query with my Go Banking Account, who can assist me?	Yes	Not applicable to our store.
27	Ask the Manager/Supervisor to tell me how Go Banking Money Back/Extra Discounts work	No	Bernadette said Go Banking can be used in their store.
28	Can I phone GoCCC from your store?	Yes	I could phone from the store.
29	Ask the Cashier - How much money can I draw?	Yes	I was told my daily ATM limit.
30	Do you have enough money if I want to draw:	Yes	The cashier told me that if she does not have the full amount she would get the Supervisor to assist me.
MANAGEMENT (100.00%)			
31	Was there a member of management at the front of the store to help you? (Manager on duty)	Yes	Eddie Beukes the store manager
<i>Scenario: Engage in short conversation with the manager (e.g. about refunds, promotions,)</i>			
32	Was the manager helpful and courteous towards you?	Yes	Eddie was very friendly and helpful.
ADDITIONAL COMMENTS			
<i>The staff members were friendly.</i>			

Annexure O

Mystery Shopping Store Results

Header Information

FormId		Period	
Regional Name	Western Cape		
Store Name	Elite Super Spar	Date of Visit	11-May-10
Time of Visit	16:00	Day of Visit	

Overall Store Result:

629/761

82.65%

SWITCHBOARD EVALUATION (100.00%)

1	Was the phone answered within ten rings? If NO, how many rings?	Yes	The phone was answered after 2 rings.
2a	Did the person who answered the telephone IDENTIFY the STORE ?	Yes	"The telephonist said, 'Elite Super Spar.'"
2b	Did the person who answered the telephone offer a GREETING ?	Yes	"The telephonist said, "Elite Super Spar."
3	Was the telephonist able to assist you with your query or offer an alternative?	Yes	I asked the telephonist if they have a Clothing department in the store. The telephonist told me no but I should try PnP Van Gate.
4	During your call, would you say that the team member had good listening skills, by paying attention to what you wanted?	Yes	The telephonist listened and answered me accordingly.
5	Did the telephonist give you a greeting?	Yes	The telephonist offered me a greeting.

STORE EVALUATION (80.00%)

COURTESY

6. Were all staff members in the following service areas correctly dressed in the Spar uniform with a name badge?

a	BAKERY	Yes	"The staff member wore checked pants, white jacket, plastic apron, hairnet and had a name badge on."
b	BUTCHERY	Yes	"The staff member wore navy pants, white jacket, hairnet, plastic apron and had a name badge on."
c	DELI (hot foods and cold meats)	Yes	"The staff member wore navy pants, white jacket, hairnet and had a name badge on."
d	PRODUCE (Fruit and Vegetables)	Yes	"The staff member wore navy pants, white jacket, hairnet and had a name badge on."
e	FRESH FOODS (Cheese, Salads, fish)	Yes	"The staff member wore navy pants, checked shirt, hairnet, blue Spar apron and had a name badge on but did not wear a white jacket."
f	FRONTLINE	Yes	"The staff member wore navy pants, checked shirt and had a name badge on."
k	RETURNS / REFUNDS / REPAIRS Counter	Yes	"The staff member wore navy pants, checked shirt, navy jersey and had a name badge on."
h	SHOP FLOOR (general staff in aisles)	Yes	"The staff member wore navy pants, checked shirts and had a name badges on."

7. Was there someone available to assist you in the service areas?

a	BAKERY	Yes	Mary
b	BUTCHERY	Yes	Margaret
c	DELI (hot foods and cold meats)	Yes	Dorianne
d	PRODUCE (Fruit and Vegetables)	Yes	Mark
e	FRESH FOODS (Cheese, Salads, fish)	Yes	Nathan
f	FRONTLINE	Yes	Veronica Plaatjies
k	RETURNS / REFUNDS / REPAIRS Counter	Yes	Emmerentia

8. Did the staff member smile warmly and make eye contact with you?

a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	No	The staff member made eye contact but did not smile.
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	No	Eye contact was made but no smile was offered.
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	

9. Were you greeted in a warm and friendly manner?

a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	No	No greeting was offered by the staff member.
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	No	No greeting was offered by the staff member.
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	

10. Were you assisted timeously?

a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	Yes	
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	Yes	
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	

11. Did the staff member/s give you their full attention while serving you?			
a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (hot foods and cold meats)	Yes	
d	PRODUCE (Fruit and Vegetables)	Yes	
e	FRESH FOODS (Cheese, Salads, fish)	Yes	
f	FRONTLINE	Yes	
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	
12. Did the staff member have sufficient product knowledge to assist you?			
a	BAKERY	Yes	I asked the staff member for Cheese Wedges. The staff member told me there is it just came out off the oven.
b	BUTCHERY	Yes	I asked the staff member for Beef and Lamb Sausage. I was told there is none as they are still waiting on the Spices.
c	DELI (hot foods and cold meats)	Yes	I asked he staff member for Honey and Herb Polony. The staff member handed me some immediately.
d	PRODUCE (Fruit and Vegetables)	Yes	I asked the staff member for Figs. I was told there is none because it is out of season.
e	FRESH FOODS (Cheese, Salads, fish)	Yes	I asked the staff member for the price of the Angel Fish and if he could cut it up for me. The staff member was very confident answering my questions.
f	FRONTLINE	Yes	I asked the cashier how much money I can withdraw. I was told my daily ATM limit.
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	I asked the staff member to explain the Returns Policy to me. The staff member knew what she was talking about.
13. Were you thanked upon departure?			
a	BAKERY	Yes	I was offered a greeting.
b	BUTCHERY	Yes	I was thanked in a friendly manner.
c	DELI (hot foods and cold meats)	Yes	I was thanked by the staff member.
d	PRODUCE (Fruit and Vegetables)	No	I did not receive a greeting.
e	FRESH FOODS (Cheese, Salads, fish)	Yes	The staff member thanked me politely.
f	FRONTLINE	No	No greeting was offered.
g	RETURNS / REFUNDS / REPAIRS Counter	Yes	I was greeted by the staff member.
14	Were there QUEUES at ANY of the service areas ? [IF there more than 3 people: 1 paying and 2 waiting, then select YES and specify which service area]		Yes There was a queue at the bakery.
15	If Yes, were all the service points open?		Yes All the staff members went forward to assist.

FRESH			
16	Were the expiry dates valid for all products?	Yes	
17	Was the produce on display of high quality and fresh, (not bruised, wilted, broken)?	Yes	
18	Was the product packaging clean and sealed?	Yes	
19	Were the display fridges, shelves and baskets clean and free from any old or discarded products?	Yes	
STOCK			
20	Was the store well-stocked with no vacant spaces on the shelves or display areas ?	Yes	
21	Were all the shelf-edge labels correct ? (Check the 10 specified items)	Yes	"The following items shelf edge labels were checked and all were correct, Fajita Kit 48g, Chicken and Mushroom Noodle 65g, Danish Style Feta Cheese 400g, Feta Pepper Traditional 400g, Feta with Cape Herb 235g, Gouda Cheese 240g, Humis Dip Low Fat 190g, Dip "
FRONTLINE (93.02%)			
22	Did the cashier convey the sales total to you?	Yes	
23	If you paid by card (credit / debit), did the cashier address you by name once it was known?	N/A	
24	Did the cashier ask if you had your own bags or if he/she could sell you some ?	Yes	
25	Was there a packer available at all the tills?	Yes	
26	Ask the MANAGER/INFORMATION DESK - I have a problem/query with my Go Banking Account, who can assist me?	Yes	I was told that Go Banking card can be used at this store.
27	Ask the Manager/Supervisor to tell me how Go Banking Money Back/Extra Discounts work	Yes	Emmerentia assisted me and gave me the Customer Care number for Go Banking.
28	Can I phone GoCCC from your store?	Yes	I could phone from the store.
29	Ask the Cashier - How much money can I draw?	Yes	I was told my daily ATM limit.
30	Do you have enough money if I want to draw:	Yes	I was told by the cashier that if she did not have the full amount she would get the supervisor to assist me.
MANAGEMENT (100.00%)			
31	Was there a member of management at the front of the store to help you? (Manager on duty)	Yes	Derrick Oliver the manager was at the front.
<i>Scenario: Engage in short conversation with the manager (e.g. about refunds, promotions,)</i>			
32	Was the manager helpful and courteous towards you?	Yes	Derrick was very polite and helpful
ADDITIONAL COMMENTS			
<i>The staff members were helpful.</i>			

Annexure P

Mystery Shopping Store Results			
Header Information			
FormId		Period	
Regional Name	Western Cape		
Store Name	Pick n Pay Atlantis	Date of Visit	01 Mar 2010
Time of Visit	12:00	Day of Visit	
SWITCHBOARD EVALUATION (100.00%)			
1	Was the phone answered within ten rings? If NO, how many rings?	Yes	The phone was answered after three rings.
2a	Did the person who answered the telephone IDENTIFY the STORE ?	Yes	The telephonist identified the store correctly.
2b	Did the person who answered the telephone offer a GREETING ?	Yes	The telephonist answered politely and offered me a greeting.
3	Was the telephonist able to assist you with your query or offer an alternative?	Yes	The telephonist was able to assist me with the stores trading hours.
4	Did the telephonist give you a greeting?	Yes	The telephonist said, 'Have a nice day.'
OVERALL		STORE RESULT	
(81.22%)			
SECTION 1 - SERVICE (65.45%)			
Today and every day our people will always give you great SERVICE			
IN STORE (60.00%)			
1.1 Was there someone available to assist you in the service areas?			
a	BAKERY	Yes	Sameelo
b	BUTCHERY	Yes	Jeremy
c	DELI (cold meats)	Yes	I was assisted by a young female with a fair complexion.
d	DELI (hot foods)	Yes	Charne
e	PRODUCE (Fruit and Vegetables)	Yes	Nomfusi
f	FRESH FOODS (Cheese, Salads, fish)	Yes	I was assisted by the same young female with a fair complexion from the deli.
g	FRONTLINE	Yes	Elaine
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	Robyn

1.2 Did the staff member smile warmly and make eye contact with you?

a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (cold meats)	Yes	
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	Yes	
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	

1.3 Were you greeted in a warm and friendly manner?

a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (cold meats)	Yes	
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	No	No greeting was offered.
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	

1.4 Did the staff member/s give you their full attention while serving you?

a	BAKERY	Yes	
b	BUTCHERY *	Yes	
c	DELI (cold meats)	Yes	
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	Yes	
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	

1.5 Were you thanked upon departure?

a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (cold meats)	Yes	
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	No	The staff member did not thank me upon departure.
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	
H	RETURNS / REFUNDS / REPAIRS Counter	Yes	

FRONTLINE (71.43%)			
1.6	Did the cashier convey the sales total to you?	Yes	
1.7	If you paid by card (credit / debit), did the cashier address you by name once it was known?	N/A	
1.8	Did the cashier ask you if you had a Vitality card?	No	I was not asked if I had a Vitality Card.
1.9	Did the cashier ask if you had your own bags or if he/she could sell you some ?	Yes	
1.10	Was there a packer available at all the tills?	Yes	
1.11	Was there a frontline supervisor visible?	No	I did not see any frontline supervisor.
1.12	Ask the Cashier - How much money can I draw? Did the cashier mention that you are able to draw your daily ATM limit	Yes	I was told my daily ATM limit.
1.13	Ask the cashier if you are able to draw this amount. (They must have these amounts or will get the money or call a supervisor to get the money) Did the cashier give you the correct answer	Yes	The cashier told me if she did not have the full amount she would get the supervisor to assist me.

SECTION 2 - FRESH (94.33%)

FRESH (100.00%)

Today and every day our products will always be absolutely FRESH

2.1	Were the expiry dates valid for all products?	Yes	
2.2	Was the produce on display of high quality and fresh, (not bruised, wilted, broken)?	Yes	
2.3	Was the product packaging clean and sealed?	Yes	
2.4	Were the display fridges, shelves and baskets clean and free from any old or discarded products?	Yes	
2.5	Are the trading area floors clean?	Yes	
2.6	Were there trolleys and baskets available?	Yes	
2.7	If there were, were they clean?	Yes	

STORE STAFF STANDARDS (.00%)

2.8. Were all staff members in the following service areas correctly dressed in the Pick 'n Pay uniform with a White/Gold name badge?

a	BAKERY	Yes	The staff member wore a white jacket, hairnet and had a new white name badge on.
b	BUTCHERY	Yes	The staff member wore a white jacket, hairnet and had a new white name badge on.
c	DELI (cold meats)	No	The staff member wore white jacket and blue pants but no name badge was worn.
d	DELI (hot foods)	Yes	The staff member wore white jacket, blue pants and had a new white name badge on.
e	PRODUCE (Fruit and Vegetables)	Yes	The staff member wore PnP shirt, navy pants and had a new white name badge on.
f	FRESH FOODS (Cheese, Salads, fish)	No	The staff member wore white jacket and blue pants but no name badge was worn.
g	FRONTLINE	Yes	The staff member wore PnP shirt, navy pants and had a new white name badge on.
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	The staff member wore blue PnP shirt, navy pants and had a new white name badge on.
i	SHOP FLOOR	Yes	The staff members wore PnP shirts, navy pants and new white name badges.

SECTION 3 - STORE STOCK (100.00%)

Today and everyday if we are out of stock, we'll do our best to deliver to you within 24 hours

3.1	Was the store well-stocked with no vacant spaces on the shelves or display areas?	Yes	The store was stocked well.
3.2	Were all the shelf-edge labels correct? (Check the 10 specified items)	Yes	The following items were checked Salticrax pyotts 200g, PnP Cashew Salted 500g, Pepsi Cola 2L, Enterprise Smoked Vienna's 250g, Bertolli Olive Oil 500ml, Fish Curried 225g, Nylon Wash Bags, Coffee Filter Original, Jungle Energy Crunch Raisins 750g.
3.3	Missing Shelf edge labels?	No	All the shelf edge labels were correct that I checked.
3.4	Was each merchandise trolley attended by merchandiser?	Yes	
3.5	Were the aisles clean and uncluttered (no excess merchandise and unpacked boxes)?	Yes	
3.6	If there was an Out of Stock product were the staff able to assist you?	N/A	

SECTION 4 - QUEUES (100.00%)

Today and everyday there will be no queues unless all the tills are open

4.1	Were there QUEUES at ANY of the service areas ? [IF there more than 3 people: 1 paying and 2 waiting, then select YES and specify which service area]	No	
4.2	If Yes, were all the service points open?	N/A	
4.3	Were there QUEUES in the frontline area?	No	
4.4	If YES, were all the tills open?	No	

SECTION 5 - MANAGEMENT (50.00%)

Today and everyday a manager will always be at the front of the store to help you

5.1	Was there a member of management at the front of the store to help you? (Manager on duty)	No	No member of management was at the front of the store.
-----	---	----	--

Scenario: Engage in short conversation with the manager (e.g. about refunds, promotions,)

5.2	Was the manager helpful and courteous towards you?	Yes	I spoke with the manger at his office and he was very helpful.
5.3	Managers Name.	Dickie Adams	

SECTION 6 - GO BANKING

6.1	Ask the Manager/Supervisor to tell me how GO Banking Money Back/Extra Discounts work?	Yes	I was told that I would receive discount on certain items and the discounted money would be paid into my account at the end of each month.
6.2	Ask the MANAGER/INFORMATION DESK - I have a problem/query with my GO Banking Account, who can assist me?		Carmen assisted me and gave me the Go Banking Customer Care number.
6.3	Can I phone GO Banking from your store?	Yes	I can phone from the store.

SECTION 7 - MARKETING/PROMOTIONS

7.1	Were promotional advertised lines in stock? (Please indicate what was on promotion you must pick up a pamphlet and check 10 items)	Yes	The following items were checked, Ricoffy 750g, Snow Flake Cake Flour 2.5Kg, Koo Baked Beans 410g, Clover Feta 200gr, PnP Oats 1Kg, PnP Sugar 2.5Kg, PnP Cooking Oil 2L, Koo Sweetcorn 415g,
7.2	Check sell by dates on the advertised lines.	Yes	
7.3	What CSI is visible at till point - example (Current Inspired to uplift)	No	There were no CSI at the till point.
7.4	Product and price promotional brochures available.	Yes	

ADDITIONAL COMMENTS

The store was very clean and the staff members were friendly.

Annexure Q

Mystery Shopping Store Results			
Header Information			
FormId		Period	
Regional Name	Western Cape		
Store Name	Pick n Pay Atlantis	Date of Visit	11 May 2010
Time of Visit	16:00	Day of Visit	
SWITCHBOARD EVALUATION (100.00%)			
1	Was the phone answered within ten rings? If NO, how many rings?	Yes	The phone was answered after 8 rings.
2a	Did the person who answered the telephone IDENTIFY the STORE ?	Yes	The telephonist said, 'PnP Atlantis.'
2b	Did the person who answered the telephone offer a GREETING ?	Yes	The telephonist said, 'Good evening.'
3	Was the telephonist able to assist you with your query or offer an alternative?	Yes	I asked the telephonist if they have a Halaal Deli. The telephonist told me yes.
4	Did the telephonist give you a greeting?	Yes	The telephonist said, 'Have a nice day.'
OVERALL (74.10%)	STORE	RESULT	
SECTION 1 - SERVICE (51.31%)			
Today and every day our people will always give you great SERVICE			
IN STORE (20.00%)			
1.1 Was there someone available to assist you in the service areas?			
a	BAKERY	Yes	Keshnia
b	BUTCHERY	Yes	I was assisted by a young female with a dark complexion.
c	DELI (cold meats)	Yes	I was assisted by a young female with a dark complexion.
d	DELI (hot foods)	Yes	I was assisted by a female with spectacles.
e	PRODUCE (Fruit and Vegetables)	Yes	Chad
f	FRESH FOODS (Cheese, Salads, fish)	Yes	Zoliswa
g	FRONTLINE	Yes	Chandre
h	HOUSEWARE	Yes	There was no one available to assist me in this department.
i	RETURNS / REFUNDS / REPAIRS Counter	No	I was assisted by a young female with a fair complexion.
j	CLOTHING		I was assisted by a young female with a fair complexion.

1.2 Did the staff member smile warmly and make eye contact with you?

a	BAKERY	No	The staff member made eye contact but did not smile.
b	BUTCHERY	No	The staff member made eye contact but did not smile.
c	DELI (cold meats)	No	The staff member made eye contact but did not smile.
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	No	The staff member made eye contact but did not smile.
f	FRESH FOODS (Cheese, Salads, fish)	No	The staff member made eye contact but did not smile.
g	FRONTLINE	Yes	
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	

1.3 Were you greeted in a warm and friendly manner?

a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (cold meats)	No	I was not greeted in a warm and friendly manner.
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	Yes	
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	

1.4 Did the staff member/s give you their full attention while serving you?

a	BAKERY	Yes	
b	BUTCHERY	Yes	
c	DELI (cold meats)	Yes	
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	Yes	
f	FRESH FOODS (Cheese, Salads, fish)	Yes	
g	FRONTLINE	Yes	
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	

1.5 Were you thanked upon departure?

a	BAKERY	No	No greeting was offered.
b	BUTCHERY	No	I was not thanked upon departure.
c	DELI (cold meats)	Yes	
d	DELI (hot foods)	Yes	
e	PRODUCE (Fruit and Vegetables)	Yes	
f	FRESH FOODS (Cheese, Salads, fish)	No	No greeting was offered.
g	FRONTLINE	Yes	
h	RETURNS / REFUNDS / REPAIRS Counter	Yes	

FRONTLINE (85.71%)			
1.6	Did the cashier convey the sales total to you?	Yes	
1.7	If you paid by card (credit / debit), did the cashier address you by name once it was known?	N/A	
1.8	Did the cashier ask you if you had a Vitality card?	No	The cashier did not ask if I had a Vitality Card.
1.9	Did the cashier ask if you had your own bags or if he/she could sell you some ?	Yes	
1.10	Was there a packer available at all the tills?	Yes	
1.11	Was there a frontline supervisor visible?	Yes	
1.12	Ask the Cashier - How much money can I draw? Did the cashier mention that you are able to draw your daily ATM limit	Yes	I was told my daily ATM limit.
1.13	Ask the cashier if you are able to draw this amount. (They must have these amounts or will get the money or call a supervisor to get the money) Did the cashier give you the correct answer	Yes	The cashier told me if she did not have the full amount she would get the supervisor to assist me.

SECTION 2 - FRESH (67.38%)

FRESH (71.43%)

Today and every day our products will always be absolutely FRESH

2.1	Were the expiry dates valid for all products?	No	The PnP Roti had an expiry date of 2010/04/08 and the PnP Beef Boboti 300g had an expiry date of 2010/04/06.
2.2	Was the produce on display of high quality and fresh, (not bruised, wilted, broken)?	Yes	
2.3	Was the product packaging clean and sealed?	Yes	
2.4	Were the display fridges, shelves and baskets clean and free from any old or discarded products?	No	Some of the fridges and shelves were not neatly packed and some products looked discarded.
2.5	Are the trading area floors clean?	Yes	
2.6	Were there trolleys and baskets available?	Yes	
2.7	If there were, were they clean?	Yes	

STORE STAFF STANDARDS (.00%)

2.8. Were all staff members in the following service areas correctly dressed in the Pick 'n Pay uniform with a White/Gold name badge?

a	BAKERY	Yes	The staff member wore navy pants, white jacket, apron, hairnet and a new white name badge on.
b	BUTCHERY	No	The staff member wore navy pants, jersey, apron and hairnet but no name badge was worn.
c	DELI (cold meats)	No	The staff member wore navy pants, white jacket, gloves and hairnet but no name badge was worn.
d	DELI (hot foods)	No	The staff member wore navy pants, navy jersey and hairnet but no name badge was worn.
e	PRODUCE (Fruit and Vegetables)	Yes	The staff member wore navy pants, checked shirt, navy jersey and had a new white name badge on.
f	FRESH FOODS (Cheese, Salads, fish)	Yes	The staff member wore navy pants, white jacket, apron, hairnet and a new white name badge on.
g	FRONTLINE	Yes	The staff member wore navy pants, navy jersey and had a new white name badge on.
m	RETURNS / REFUNDS / REPAIRS Counter	Yes	The staff member wore navy pants and navy jersey but no name badge was worn.

SECTION 3 - STORE STOCK (50.00%)

Today and everyday if we are out of stock, we'll do our best to deliver to you within 24 hours

3.1	Was the store well-stocked with no vacant spaces on the shelves or display areas?	No	There were no stock of Advantage Sugar Tub 250g, PnP Fat Free Light Milk, Ace Instant Vanilla Porridge 1Kg, PnP Crushed Garlic 125g .
3.2	Were all the shelf-edge labels correct? (Check the 10 specified items)	Yes	The following items were checked, PnP Medium Spread, PnP Cauliflower and Broccoli, PnP Creamed Spinach 250g, PnP Root Vegetable Roast 600g, PnP Creamy Mushroom Soup 500g, Clover Feta Cheese 400g, Bean Sprout PnP 150g.
3.3	Missing Shelf edge labels?	No	
3.4	Was each merchandise trolley attended by a merchandiser?	No	There were some trolleys left unattended in the aisles.
3.5	Were the aisles clean and uncluttered (no excess merchandise and unpacked boxes)?	No	There were some boxes left unpacked and unattended.
3.6	If there was an Out of Stock product were the staff able to assist you?	Yes	The staff member offered to take my name and call me when the product is in stock.
4.2	If Yes, were all the service points open?	N/A	
4.3	Were there QUEUES in the frontline area?	No	
4.4	If YES, were all the tills open?	N/A	

Today and everyday a manager will always be at the front of the store to help you

5.1	Was there a member of management at the front of the store to help you?	Yes	Dickie
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Scenario: Engage in short conversation with the manager (e.g. about refunds, promotions,)

5.2	Was the manager helpful and courteous towards you?	Yes	
5.3	Managers Name.	Dickie	

SECTION 6 - GO BANKING

6.1	Ask the Manager/Supervisor to tell me how GO Banking Money Back/Extra Discounts work?	Yes	I was told that the discounted money would be paid into my account at the end of each month.
6.2	Ask the MANAGER/INFORMATION DESK - I have a problem/query with my GO Banking Account, who can assist me?		The staff member assisted me as far as possible and told me I could phone Go Banking as well.
6.3	Can I phone GO Banking from your store?	Yes	I was told I could phone from the store.

SECTION 7 - MARKETING/PROMOTIONS

7.1	Were promotional advertised lines in stock? (Please indicate what was on promotion you must pick up a pamphlet and check 10 items)	No	There were no stock of the Riccoffy 750g, Goldi Chicken Nuggets and B-Well Conalo Oil 750ml. There were stock of the following handy Andy 250ml, Melrose Cheese Spread, PnP Puff Pastry, Cadbury Chocolates 180g, Eskort Vienna's 500g, Clover Feta Cheese 400g, Rainbow Chicken Vienna's, PnP Garlic 125g, PnP Cooking Oil 750ml
7.2	Check sell by dates on the advertised lines.	Yes	
7.3	What CSI is visible at till point - example (Current Inspired to uplift)		Inspired to keep things moving and inspired to be fair.
7.4	Product and price promotional brochures available.	Yes	At the entrance in the mall but not at the parking area entrance.

ADDITIONAL COMMENTS
The aisle was very untidy with products in trolleys and in boxes. There was very few floor staff on the floor.

