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Managing the supply chain using in-store supplier employed Merchandisers

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Abstract

Purpose – This paper investigates the managerial challenges arising from the deployment of cross-company boundary-spanning teams to improve on-shelf availability.

Design/methodology/approach – The study focuses on two, supplier employed teams, each merchandising their employers' timber-products within the stores of two leading UK DIY retail groups. Non-participant observation and self-administered questionnaires were used to investigate firstly, the association between reported merchandiser job satisfaction and various theoretical predictors (role ambiguity, role conflict, perceived organisational support and recognition) and secondly, differences in role perceptions between the two teams and their (retail store) customer representatives.

Findings – The study reveals differentiated perceptions of merchandising management practice within the UK DIY retail sector. Whilst perceived organisational recognition was found to be positively associated with merchandiser job satisfaction, there was a significant difference in the perception of organisational support reported by members of the two merchandising teams.

Research limitations/implications – The small number of merchandisers within each team limits more complex statistical analyses and the identification of potential interaction effects of other variables: notably retail store size and format.

Practical implications – The findings from these cases suggest that practitioners need to attend to the *behavioural* aspects of boundary-spanning, inter-organisational supply chain activities, such as the deployment of supplier-employed, in-store merchandising teams, if these practices are to be effective.

Originality/value – The behavioural aspects of inter-organizational supply chain practice have received little research attention to date, despite their acknowledged importance. This paper starts to redress this imbalance.

Keywords Boundary-spanning; In-store merchandising; UK DIY retail; On-shelf availability; Timber-products; Supply chain management.

Paper Category Research paper

Introduction

Improving on shelf availability has become something of a mantra within UK retailing. If the product is not on the shelf when the shopper arrives to make their selection, the sale (and potentially also the customer) may be lost to the store. Market research organisations and sector special interest groups regularly monitor and publish influential on-shelf availability performance data. Despite this level of industry attention, recent research has shown that on-shelf availability in many cases has

actually worsened (Corsten and Gruen, 2003). Somehow, the challenges that lie behind the statistics remain unresolved.

Recent initiatives, such as Efficient Consumer Response (ECR) have raised the profile of 'in-store merchandising' as a possible solution. Within this concept, dealing with the problems of the 'last 50 yards' of the supply chain has come under special scrutiny. Much existing work focuses on FMCG, where retail employees are assigned shelf-replenishment tasks. However, practices differ by sector and product categories. Within the still rapidly growing DIY retail sector, the diversity of product (in size, as well as quantity) make the challenges maintaining 'on-shelf' availability all the more acute.

This paper presents a case study of one supplier's actions to ameliorate the situation, through the deployment of roving in-store sales merchandisers to service retail customers' needs. As direct employees of the supplying company, Timberco Sales Merchandisers provided stores with a highly customised service, known in the US as 'rack jobbing' (Buzzell and Ortmeyer, 1995) and as 'field merchandising' in the UK.

Organisational actors who transcend the boundaries of a discrete organisational unit have long commanded the attention of organisational researchers (Keller and Holland, 1975; Aldrich and Herker, 1977). Referred to as 'boundary spanning' roles, these positions 'involve resource acquisition and disposal, political legitimacy' and hegemony as well as 'social legitimacy and organizational image' (Aldrich and Herker cited by Weatherly and Tansik, 1993, p. 4).

There are also other issues: for example, the increase in the adoption and scope of boundary-spanning activity (Babin and Boles, 1998) suggest a shift from hierarchical forms of management towards process-orientated interdependency. The changing roles place different behavioural demands on managers and employees (Dyer and Singh, 1998; Hatten and Rosenthal, 1999).

Other researchers have explored the psychological experiences and coping strategies of boundary spanning employees. Problems such as 'role conflict' and 'ambiguity' (Rizzo, House and Lirtzman, 1970), stress (Weatherly and Tansik, 1993; Ashill, Meadows and Stewart, 2001), and trust and autonomy (Palmer, 2000; Perrone, Zaheer and McEvily, 2003) have been suggested as associated with boundary-spanning roles.

Yet, within the SCM literature to date, the management implications of employees engaged in process activities across organisation boundaries has received scant attention; indeed many accounts within the SCM field fail to separate conceptions of the physical supply chain from its management (Storey, 2002). The distinction between intra and inter-organisational management adds a further layer of complexity.

What empirical studies exist, exploring for example, the use of 'in plants' within a green field, modular manufacturing environment (Pires, 1998), foreshadow the additional complexities of inter-organisational management initiatives. Material flow management, cross-organisational teamwork and quality assurance have been suggested as key managerial challenges but the practice of inter-organisational boundary spanning between suppliers and retailers has not been examined in any detail.

This paper reports on research into the detailed practices and perceptions of Timberco's Sales Merchandisers as they work within the premises of two of the large DIY retailers in the UK. Additionally, the perspectives of retail store managers and employees along with the supplier-engaged merchandisers were surveyed using a

combination of quantitative and qualitative research techniques. This study illustrates the individual and management challenges that need to be addressed if inter-organisational supply chain innovations are to prove effective.

Specifically, our research was designed to address three questions: (1) how were Sales Merchandisers and their customers reacting to the way the job was enacted? (2) How could the role be made more effective? (3) What factors impeded a wider realisation of the role?

The body of this paper is divided into three main sections. The first section describes the case context and traces the development of the Sales Merchandiser role within Timberco; and at the end of that section we describe our research methodology. The second section reports the quantitative and qualitative findings. The third section discusses these results in terms of the nature, scope, opportunities for improvement and barriers to further exploitation highlighted by this case. Finally, we conclude that the research reveals an innovative solution to merchandise management, the success of which was acknowledged by merchandisers, Timberco management and retail customers' alike. However, significant challenges remained. These findings belie the effortless construction of mutually beneficial, problem-free operational relationships taken as given within much existing, prescriptive SCM literature.

The Case Context

Timberco, the UK subsidiary of a 1,810 million euro parent, supplies into the UK DIY sector. Timberco manages UK customer logistics, sales and production operations. Shipped, rough-sawn timber is converted in the UK into skirting boards, garden decking and other similar product categories. Customer-facing operations are organised into discrete business streams serving particular market segments. Timberco's DIY retail sector practices provide the focus for this study.

Timberco's DIY customer-base includes two very large format nationwide multiples, both of which are in the top 20 UK retailers (ranked by retail turnover (Euromonitor, 2004)). Each retailer stocks a wide range of Timberco product across their different store formats. Whilst average store size differed by a factor of 0.5, conversions and new store openings increasingly served to narrow the gap. The timber range in all stores was complex: even the relatively small stores carried over 100 Timberco SKU's. Over the past decade, Timberco has employed and developed teams of roving in-store sales merchandisers to service these retail customers' needs. Each retailer-focused team is responsible for the full and effective in-store display of Timberco's products. Sales Merchandiser activities supplement (and sometimes virtually supplant) the operations carried out by the retail companies own employees. Merchandising timber demands particular technical expertise. As one merchandiser put it, 'there's more to the role than a glorified shelf-filler'. As a live material, wooden products could warp or be damaged during their shelf life: assessment required an experienced eye. Merchandisers were responsible for a mix of tasks relating to the in-store display of Timberco products. Working in one of two separate, retailer-focussed teams, each merchandiser was individually responsible for servicing approximately twenty stores.

Background to the Merchandisers' Role

This merchandising function had been conceived as a result of a conversation between a Senior Retail Group Timber Buyer and a Timberco representative. One of the customers' store managers had been perplexed. Timber sales in his store were around

30% lower than those of his peers in the surrounding area. Both he – and the buyer - wanted to know why. Following detailed analysis it turned out that the timber racks in that particular store received little attention, whilst surveys of other stores showed general improvement was possible.

A new way of working was created that transcended organisation boundaries. Timberco undertook to clean out and maintain the Customer's timber racks every 10-12 weeks for all UK stores. Initially this involved a single Timberco employee removing unsaleable timber. Over a period of time the service was extended to other retail store groups and was also simultaneously extended in scope of service. Timberco's experience suggested that a 10% sales improvement was routinely achievable. At the time of our research, 20 people were dedicated to this role in sales merchandising operations.

As the sales merchandiser role expanded, the frequency of visits increased. Merchandisers' began dealing with customer complaints, in-store training, stock level assessments and account queries. On average, merchandisers spent a whole day in each store. Each store was revisited every four weeks. Activities which had been focussed around cleansing timber racks, now included layout correction to store plan and dealing with issues raised by retail store teams.

Routine merchandise operations were suspended at peak trading times, in favour of special stock building activities to meet seasonal demand. These activities required close cooperation with store personnel, agreeing delivery schedules and goods receipt. Relationship building formed an increasingly important element of the role. The Merchandiser created a personal point of contact between Timberco and their Retail Customers' stores. They were instrumental in partnership development between the two firms. As a Merchandising Manager explained,

'They drag us into store and make our coffee for us. It's almost like we're being paid by them'.

The role demanded particular personal characteristics. Merchandisers needed to be confident talking to shop floor personnel and retail regional directors. Some became trainers and delivered product and merchandise training in-store to Timberco's specification. Pre-requisites for the role were said to be: commitment, a positive attitude, communication skills and self-motivation. Working patterns were flexible, based on a fixed number of contracted hours. Merchandisers were home-based, travelling to their regionally-allocated stores. Company cars, mobile phones and personal expense accounts were provided.

Both Timberco and their retail store customers were positive about the service provided. Merchandisers' argued that stores valued the level of in-store service and their expert knowledge. These points were confirmed by store representatives' responses. Operational activities were particularly highly valued, as was having a dedicated point of contact. One store representative described their merchandiser as 'a credit to the company'. Yet despite this recognition of the value of the role, our study reveals that this inter-organisational approach to merchandising placed unusual - and it would seem largely unacknowledged - demands on sales merchandisers, their managers and store employees alike.

Methodology

This study was designed to explore the motivations, interactions, practices and difficulties inherent to the role within the two teams of Timberco merchandisers each

working within rival major retailers. Each team serviced a separate retail group, direct competitors within the UK DIY marketplace. As a consequence, teams were managed separately without operational movement or communication between them.

Qualitative and quantitative research methods were employed to explore, compare and interpret individual, team and store perceptions. Semi-structured interviews were carried out with Logistics and merchandise management representatives from Timberco's management team. Overt, non-participant observation was conducted, over the full working day, with a number of Timberco merchandisers servicing the two different retail store groups. These visits included discussion of the sales merchandiser role with available store personnel (Duty Managers, Section Colleagues and Team Leaders). Substantive and analytic field notes were made during and immediately following this fieldwork. These observation periods were followed by semi-structured telephone interviews with the sales merchandisers concerned, each of which was recorded (with permission) and transcribed.

The resulting qualitative data, together with findings from research identified during the review of the boundary-spanning literature, including unpublished practitioner studies from the FMCG sector, was used to develop and refine a self-administered survey questionnaire. The questionnaire was designed to explore the relative influence of various theoretical predictors of job satisfaction. Rizzo, House and Lirtzman's factor constructs of role ambiguity and conflict (Rizzo, et al., 1970) were used in order to explore job satisfaction levels within and between the two teams of merchandisers. Factor analysis of previous research had found these constructs explained variation in satisfaction within complex organisations. (Their theoretical development can be traced from violations of both the principle of chain of command and the principle of unity). Rizzo and his colleagues argued that these concepts, evident within classical organisational and role theory, were violated in complex organisational environments, as in this case.

Comparative, standardised measures were included in questionnaires administered in two phases: firstly, to members of the sales merchandising teams and secondly, to the Store Manager of each UK Retail Store serviced. Individual anonymity and confidentiality of all respondents was assured. Data was collected over a 4 month period in 2003-2004. Firstly, the merchandiser-orientated questionnaire was sent by e-mail (via Timberco's merchandise managers) to each Timberco sales merchandiser (a total of 20 employees divided into two, retailer-focussed teams). Eighteen useable questionnaires were returned: a response rate of 90%. Secondly, the survey was posted to 489 retail outlets within the United Kingdom (UK). Seventy one completed questionnaires were returned, an overall response rate of 14.5%. Response rates by retail store group, coded Store Group 1 and Store Group 2, were 21 % (36 responses) and 11% (35 responses) respectively.

The questionnaire contained standardised measures of job satisfaction (16 items), perceived organisational support (4 items), perceived organisational recognition (4 items) and adequacy of training (5 items), as well as role ambiguity (6 items) and role conflict (8 items). Each item was measured on a seven-point scale from 'strongly disagree' to 'strongly agree', coded -3 through 0 to +3. Construct validity was ensured through use of validated standard measures for role ambiguity, role conflict (Rizzo, et al., 1970), perceived organisational support and adequacy of training (Johlke, et al., 2002). Measures of perceived organisational recognition were included on the basis of their face validity.

The resulting quantitative data was analysed using SPSS 12.1 data analysis software. Open responses were office-coded using an anchored coding scheme which

identified subjects' responses in the context of our specified research questions (Sapsford, 1999). Sample means of each standardised measurement scale were compared using independent sample t-tests to indicate potential differences between the two merchandising teams. Scale reliabilities were tested using Cronbach's alpha, with unreliable measurement items eliminated. Ordinal regression techniques were employed to test theoretically-predicted associations between positive - negative dichotomies of job satisfaction and summed, multi-item measures of role ambiguity, training, perceived organisational support and recognition. Regression variable were screened for multicollinearity effects. Univariate analysis was used to explore statistically significant differences in these scales between merchandiser team and store group perspectives.

Findings

Participant Observation and Telephone Interviews

Store visits suggested variation might exist between merchandiser' working practices, due to different Store Group practices. Store Group stocking policies, stock control, staffing levels and the volume of customer traffic were identified by merchandisers' as affecting their activities.

Whilst stock levels within the Store Group 2 store visited were described as 'average', the Store Group 1 site was experiencing particular issues maintaining appropriate on-shelf stock; described by their merchandiser as being 'near the worst end of the scale'. At the end of cleansing, on-shelf fill was assessed at only 55%. The store had not been visited for a while and this had lead to mounting problems,

'If you've not been there for a little while it obviously gets worse, the longer you leave it'

As well as differences between individual stores, stocking policies differed between the two store groups. Merchandisers agreed that shoppers liked full (but not crammed) shelves and immediate stock availability,

'Some people won't wait, if the article isn't there, they will walk. That is a major impact - they won't wait to find out if you're got it'. Two such instances were observed during the observation days.

Despite these customer sensitivities, Store Group One managed category stock levels to meet budget constraints, promotional volume/value deal thresholds and to ease physical stock counting procedures. These stock and replenishment variations required additional merchandising efforts. The merchandiser described negotiating expediting deliveries to rebalance stock levels, causing interference to Timberco's smooth transportation routines. Matching Timberco deliveries to store replenishment capabilities, relied heavily on merchandiser's judgement and discretion,

'Most merchandisers are fairly experienced and use their judgement as to whether it's worth making the phone call.'

One particular frustration described by the merchandisers was finding the required stock in store, but not on the shelf. Resolving this issue required tenacity and a tacit understanding of the delicate balance to be struck to maintain good store relations:

'You can continually bang on about it, but if nobody's listening, is it worth saying anything? Because you know the next time it isn't going to change...In the back of the mind, there's always our relationship between the store management and ourselves and obviously [the merchandise manager] is cautious not to put our relationship in jeopardy, because then it destroys any advantage we have got by going into the store in the first place.'

Line management support was called upon only in exceptional cases. Merchandisers' saw the management of company-store relations as their own responsibility,

'Although we are classed as a sales merchandiser, we are managing that actual territory and each store – so I would like to think that we would have enough tact and experience to get things sorted, without running to [the Merchandise Manager] every 5 minutes, where a store isn't playing the game'.

On occasion, merchandisers from adjoining territories were drafted in to help resolve the problems of stores that were slipping. Despite this and other occasional individual remedial action, merchandisers were clear that maintaining store stock levels was (officially) a retail responsibility.

Low staffing levels and the volume of customer traffic impacted the degree of merchandiser -consumer interaction, another interference factor,

'When there does tend to be a lack of staff, what you will get is an increase in the level of questions and people coming up to you, because you're the first person they see on the shop floor who resembles somebody in a uniform.'

These interactions disrupted the merchandiser's routine activities. Various tactics were employed to deal with these interruptions ranging from the helpful (acting as store guide, providing expert technical advice) through to a clear deflection of responsibility (referral to store staff or polite rebuff),

'When you have things to do and you're constantly being pounced upon by customers. Although we all need customers, it's very difficult if you're being dragged away from your role, it's quite difficult to actually get on with what you're doing, try and keep some continuity. It's interrupting the sort of pattern of your day that you're trying to get everything done and you can't do that if you're constantly being dragged away. There again, if we can help, we do try to help...If I've got time, I'll help them and if I haven't I'll tell them, I'm sorry, I don't work here – very politely of course.'

To summarise, initial comparisons revealed differences in working practices. There was indicative evidence of role ambiguity, with merchandisers' variously depicting elements of their role as quality auditor, availability manager and sales representative alongside routine merchandising responsibilities. Merchandisers' from both Store Group teams reported the low tolerance of end-customers to poor stock levels, variability in merchandising practice across stores and the constraints they experienced when engaging with store management to resolve persistent problems. Participant observation suggested there may be significant variations in practice

between merchandisers, stores and retail groups. However, from this data alone it was possible neither to quantify the variation, nor assess how representative these findings were of the wider population. The survey phase of this research was designed to address these limitations.

Survey Responses

Eighteen merchandisers responded to the self-administered survey. Seventeen were male and 1 was female, with a modal age of 30-39 years (ranging from 20 to 60 plus years). The workforce was experienced, with two-thirds of the overall group having more than two years experience in the merchandisers' role. On average, each individual was responsible for merchandising 19 stores (mean= 18.89, SD=10.140).

Merchandisers were asked firstly, to rank the importance of various routine tasks and secondly, indicate the frequency of non-routine activities. All merchandisers identified cleansing and stripping timber racks, administering timber returns, dealing with store queries, investigating discrepancies and handling customer complaints and queries, as important to merchandising effectiveness. However Kendall's coefficient of concordance between judges showed little agreement regarding the relative importance of each of these activities ($W=0.207$, $\chi^2=18.660$, $df=5$, $p<0.01$). Moreover, whilst all but one merchandiser reported non-routine activities such as hosting visitors in store, facilitating stock build for peak sales periods and store staff training, the reported frequency of involvement varied significantly between merchandisers ($W=0.303$, $\chi^2=30.939$, $df=6$, $p<0.01$). Both sets of results are summarised in Table I.

Routine Activities	Mean Rank (Importance)	Non-Routine Activities	Mean Rank (Frequency)
Cleansing & stripping racks	2.44	Hosting visitors to store	2.26
Timber returns approval form	3.17	Stock build	3.41
Store queries	3.19	Store staff training	3.68
Investigating Discrepancies	3.69	Tradeshows/ marketing events	3.82
Customer complaints	4.06	Store conversions	4.41
Customer queries	4.44	Visits to company sites	4.88
		Dealing with customer complaints	5.53

Table I. Kendall's W test for concordance. Results for routine and non-routine activities

Open coded responses to enquiry about what aspects of the role merchandisers and their retail store customers most valued detailed various corrective, problem-solving activities. For example, cleansing faulty stock, re-laying displays, removing or re-locating stock and re-labelling product were all mentioned. Inter-company communication also figured strongly, with sales merchandisers' emphasising their liaison role between Store, Timberco and other merchandisers within their respective Store Group teams.

Scale measures of role conflict and merchandisers' perceptions of store support and training proved unreliable (failing to achieve a Cronbach alpha co-efficient of 0.70) and were removed from subsequent analysis. Reliabilities of multiple item

scales measuring to job satisfaction, role ambiguity, training and perceived organisational support scales are shown in table II.

Scale	Number of Items Used per Scale	Means		Mean Standard Deviations		Reliabilities (Cronbach's Alpha)	
		Team	Stores	Team	Stores	Team	Stores
Job Satisfaction	16	1.088	n/a	2.023	n/a	0.934	n/a
Role ambiguity	4	1.706	1.723	1.506	0.014	0.832	0.808
TimberCo Organisational Support	2	1.250	0.813	2.485	0.004	0.705	0.538
TimberCo Training	3	1.185	0.333	2.379	0.048	0.779	0.891
TimberCo Organisational Recognition	2	1.206	1.341	3.103	0.092	0.921	0.791
Store Group Organisational Recognition	2	1.861	2.261	1.518	0.081	0.943	0.394

Table II. Statistical properties of scales

Ordinal regression modelling of independent theoretical predictors of job satisfaction (training quality, perceived organisational support and recognition) showed perceived organisational recognition (from Timberco) to be a statistically significant predictor of merchandiser satisfaction (Table III). Multicollinearity tests showed that, whilst role ambiguity also exhibited predictive power, this was due to an interactive effect with perceived organisation support.

Dependent Variable	Independent Variables	Chi-squared Statistic	D.f.	Significance
Job Satisfaction	TimberCo Organisational Recognition	5.5053	1	0.025*

Table III. PLUM ordinal regression model of significant theoretical predictors of job satisfaction * indicates p<0.05

Responses from merchandisers' servicing different store groups (coded team one and team two) were compared; there were eleven team 1 merchandisers and seven team 2. Work experience differed between the two teams: 5 of the 6 merchandisers with less than 2 years experience (83%) worked within store team 1. There were also differences in both planned and actual store visit frequency. Eighty percent of team 1 merchandisers reported visiting each store at least once every 3 weeks on average, whilst 86% Team 2 Merchandisers reported visits taking place with a frequency between 4 and 7 weeks.

Team 1 Merchandisers were on average less satisfied than Team 2 Merchandisers on all satisfaction measurement scales. T-tests indicated these differences were most marked in terms of their satisfaction with relationships with other workers; career opportunities and the amount of freedom they had. Team 2 Merchandisers were more certain about their level of authority and clearer about their goals and objectives; both role ambiguity indicators. This clarity was accompanied by a greater confidence in Stores' appreciation of the service provided.

Seventy one completed survey questionnaires were returned by store representatives. Store and Duty Managers made up over three quarters of respondents (54 respondents, 76.1%) with remaining majority dedicated timber section personnel (13 respondents, 18.3%). Responses from each Store Group's were broadly split into two categories: large mega or extra format/ conversion stores and standard format (superstores). The store group 1 sample was split approximately 3:4 (extra format/conversions: standard) and store group 2 sample 3:2 (mega stores: superstores) One store was unclassified.

Univariate analysis of responses within and between Merchandiser teams and their respective store groups' revealed statistically significant variation in two areas (Table IV).

Groups	Between-Subjects Factors				Between Subjects Effects		
	Mean	SD	Levene's Test of Equality of Error Variances	Sig.	Sum of Squares (Type III)	F	Sig.
Dependent Variable: TimberCo Organisational Support							
Sample: Merchandisers							
Team 1	0.5882	1.0036	0.177	0.676	3.678	4.167	0.045*
Team 2	1.0645	0.8635					
Dependent Variable: TimberCo Training							
Sample: Merchandisers							
Team 1	0.2188	1.1628	0.051	0.823	0.777	0.770	0.384
Team 2	0.4409	0.8092					
Sample: Store Group 1							
Team 1	1.7143	1.3254	0.616	0.438	12.846	9.062	0.005*
Store Group 1	2.1880	1.1628					
Sample: Store Group 2							
Team 2	0.8485	1.1960	4.368	0.043*	1.349	1.590	0.215
Store Group 2	0.4409	0.8092					
Dependent Variable: Store Group Organisational Recognition							
Sample: Merchandisers							
Team 1	2.2429	0.6459	2.869	0.095	0.025	0.078	0.782
Team 2	2.2812	0.4568					

Table IV. Univariate analysis: variation within and between subject groups
* indicates $p < 0.05$.

Firstly, comparison between the two Merchandiser teams highlighted a statistically significant difference in terms of their perceptions of Timberco support. Team 1 perceived they received less organisational support than Team 2 (Mean Team1 = 0.59; Mean Team 2 = 1.06; $F(1, 63) = 4.167, p < 0.05$ as shown in Table IV). T-test results suggested that this was most marked in terms of Timberco's reaction to feedback. Team 1 Merchandisers felt the company were less likely to act on their feedback than their Team 2 colleagues.

Secondly, there were differences between Merchandiser and Store Group perceptions of Merchandiser Training. Store Group 1 representatives were less enthusiastic about Merchandisers' training levels than the Merchandisers themselves.

T-test analysis suggests these discrepancies arose due to differing perceptions of training support for new and existing Merchandisers.

In summary, regression analysis showed a statistically significant association between job satisfaction and complex measures of Timberco organisational recognition across the two teams of merchandisers. Further analysis indicated significant differences between perceptions of organisational support within the two merchandiser teams and in the perception of the adequacy of training within the Store Group 1 environment. The implications of these findings are discussed in the next section.

Discussion

This study explored theoretical predictors of job satisfaction and the similarities and differences in these role perceptions between the two teams of merchandisers and their respective Store Group Customers. The study aimed to identify how merchandisers and their customers were reacting to the job scope so far, how the role could be made more effective and what factors impeded wider realisation of the role.

Role theory and previous empirical studies (Rizzo et al. 1970; Weatherly and Tansik, 1992; Johlke et al., 2002) would suggest that there is a causal influence between job satisfaction levels and differences in perceived organisational support, role ambiguity and perceived organisation recognition in the merchandiser group. The differences between merchandiser and customer store group role perceptions are suggestive of institutional differences between the two teams and the retail environments within which they operate. This interpretation is elaborated upon below through consideration of the nature and scope of the merchandisers' role and barriers identified to greater effectiveness. These factors combine to shed light on the particular management and behavioural challenges faced when attempting to improve on-shelf availability through inter-organisational intervention. This section concludes with some thoughts on the limitations of this study.

Nature and scope of the Merchandisers' role

According to role theory, ambiguity results where the formal organisation structure within which employees are operating lacks a clearly specified set of tasks or positional responsibilities (Rizzo et al., 1970). Notably, the role was valued highly by all sets of respondents. Ambiguity as to the exact nature and scope of the merchandising responsibilities was only an issue where perceived organisational support was lacking.

Merchandisers saw themselves as 'leading by example', setting the standards for store employees to follow and contributing directly to Timberco's operational efficiency. As well as stripping and cleansing activities, merchandisers checked product quality, flagged potential production problems and, on occasion carried out remedial action e.g. label replacement and sub-standard product removal. They provided technical and product training for retail floor and checkout staff. Information on new products was shared, promotional materials distributed and technical range advice offered. Merchandisers who were less certain about their responsibilities and authority within this complex array of tasks rated themselves lower on job satisfaction scores.

Whilst Timberco management believed the merchandiser's role significantly increased sales, it was seen as a supporting function, rather than one with direct sales responsibility. As such, unlike other Sales roles, it was not specifically incentivised. This lack of formal recognition, led to a reliance on informal, individual assessment.

Those individuals who perceived that their contribution as a Merchandiser was recognised by the organisation reported higher job satisfaction scores.

Barriers to greater effectiveness

Goal conflict and inconsistency, delay in decision-making, distortion and/ or suppression of information and violations of the chain of command have been shown by previous research to increase levels of role conflict and ambiguity, whilst an emphasis on personal development, formalization, adequate communication, management receptiveness to new ideas, effective co-ordination of work-flow, adaptability to change and adequate authority have been found to reduce these problems (Rizzo, et al., 1970). This study adds perceived organisational recognition to the list of relevant factors. Unless an understanding of these elements form an integral part of the (academic and practitioner) discussion of supply chain management, the rational, technical models are destined to fail, or to underachieve.

In-store organisational structures differed between the two store groups. For Store Group 1, there were designated personnel responsible for the timber category. Whilst this arrangement existed informally in some Store Group 2 stores, it was not the norm. The result was, particular when short staffed, timber availability problems could disappear within the diverse list of daily priorities that busy Duty Managers faced.

Some Merchandisers took it upon themselves to carry out system checks of apparent out of stock items. This cross-checking had the potential to directly influence sales and availability performance. It was however discretionary – the merchandiser had to take the initiative and stores had to permit access to their information systems. Missing either or both of these elements and this fragile, yet significant improvement opportunity was lost.

Despite that fact that merchandisers were well-known in store and their role ‘approved’ by the Retailers’ head office, an over-arching need for diplomacy and sensitivity hampered mutual exploitation. Merchandisers could advise, and this they did through educating store employees and customers, but they could not direct. Stores were sensitive to perceived criticism. Out of stock observations could be deflected as ‘supplier problems’ and identification of available stock elsewhere in the store was not always well received, as one Duty Manager commented, ‘There’s always reasons why its not put away, either we’re too busy or whatever’. The merchandisers’ observation report was nicknamed the ‘shaft report’ by some.

Merchandisers’ relative lack of authority created difficulties in the resolution of intransigent stock and store discipline issues, where neither Merchandisers, nor their managers were keen to rock the relational boat. Merchandisers’ were emasculated in their dealing with ‘poor’ or ‘bad’ stores, resorting to an approach of ‘be polite and get the job done’. Some ‘bad’ stores abandoned their own in-house merchandising activities completely when they knew Timberco employees were due to visit. Yet there was insufficient Merchandiser resource to handle mass abdication on this scale,

‘The problem is I haven’t been here for 3 weeks – now I could spend 2 days here’.

Retail store managers had multiple, diverse responsibilities, with an SKU portfolio of thousands. Merchandising activities were not always at the top of their priority list. This sporadic attention to availability has significant, business-wide implications. Implementation of Enterprise Resource Planning (ERP) software was popular in the DIY sector, as elsewhere. Such systems promised supply chain improvements through

sophisticated algorithms which adjusted for seasonal demand peaks. However, as one of our informants explained,

'All the technology in the world won't help you if you don't have the business disciplines'.

Sophisticated information systems are susceptible to ineffective in-store presentation. One significant problem is the delay in getting timber deliveries from the yard into the designated racking, where customers can locate them. It was not unusual for put-away activities to take up to four days to complete. During this time, computer records would show store stock to be adequate – although the timber racks could be empty. From the customer's perspective stock is unavailable. Moreover, stores were not designed to accommodate the reverse logistics flows of degraded timber. If retail store staff did cleanse timber racks, there was often nowhere on site for this bulky rejected material to be stored. Stock fill inaccuracies were frequently attributed to night teams; with misplaced stock voiding the physical counts designed to swiftly identify out of stock issues.

In common with other UK retailers, demand forecasting processes were centralised and automated. A co-managed forecasting trial conducted across a number of Store Group 1 stores was in some ways counter-cultural to existing Merchandiser pre-occupations with operational merchandising tasks. Merchandiser intervention in terms of range, space allocation and minimum order quantities were severely constrained by both their and the Retailers' understanding of this as a core retailing activity. Centralised Enterprise Resource Planning (ERP) systems introduced by retailers' further dislocated Merchandisers' opportunities to influence out of stock, as ordering procedures and module pack sizes were centrally determined and administered. Additionally, in Store Group 2, ordering routines were based on a suggested order quantity estimated from the previous 6 weeks sale. This levelling of the material flow could be disrupted by stock clamping practices around stock counts and budget period ends, resulting in out of stock. Some store purchasers' were better than others at keeping an eye on physical floor stocks to prevent such problems.

Limitations of the study

The findings from this study must be considered in the light of a number of limitations. Store Group Merchandiser sample sizes are small, limiting further analysis of store size and format effects. These cannot therefore be discounted as a factor in store group differences.

Conclusions

Previous research into on-shelf availability improvement has suggested that sustained improvement requires retailers and suppliers to work together to improve in-store out of stocks (Corsten and Gruen, 2003). This study explores one mature example of such co-operative working. Yet even in this innovative and successful relationship, our research highlights both behavioural and managerial challenges that inhibit further exploitation.

Employees engaged in these activities find themselves with responsibilities that span organisational boundaries. Control over task specification and working environment is divided: retail store managers find routine tasks executed by individuals over whom they have no formal hierarchical control, whilst merchandisers carry out their prescribed daily routines within an alien organisational environment.

This study exemplifies how differing inter-organisational attitudes to training, perceived organisational support and recognition compound particular behavioural effects of role ambiguity when managing boundary-spanning employees.

We argue that greater attention needs to be paid to the behavioural implications of supply chain management practice, if such innovative, inter-organisational supply chain initiatives are to be effectively pursued. Specifically, practical steps need to be taken to ensure responsibilities are clearly defined and understood, supporting organisational structures are in place and operating effectively, and that managers from both organisations are sensitive to the unique behavioural demands placed on boundary-spanning employees.

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