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Article

Employee Inspiration in Retailing: Opportunities and Risks

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Employee Inspiration in Retailing: Opportunities and Risks

Employees' subjective experience of inspiration has attracted only limited attention from marketing and retailing scholars and practitioners. Research in social psychology shows that feeling inspired leads to many positive outcomes. Thus, a stronger focus on inspiring employees may help retailers face current challenges. This article explores how frequently and deeply employees experience inspiration at work and examines the opportunities and risks for retailers. As a result, the authors offer a practical guide on how to inspire employees.

Prof. Dr. Thomas Rudolph, Kathrin Neumüller, Dr. Kristina Kleinlercher

Low profit margins, more demanding customers, and increased competition from new market entrants have afflicted Swiss retailers for many years (Hunziker, Mendelin, Fuhrer, & Hotz., 2020). To make matters worse, the outbreak of the Covid-19 pandemic has further aggravated this difficult situation in today's retail environment. Many retailers in the "non-essentials" segment (e.g., those operating in apparel) were forced to shut down their stores during lockdown. Discretionary consumer spending for non-essential products has plummeted. At the same time, brick-and-mortar retailers of food or hygiene products have faced unexpected shopping behaviors (e.g., hoarding of toilet paper), an increased demand for DIY-products, and a trend towards online shopping. This makes retail one of the sectors most affected by Covid-19 (Atmar, Begley, Fuerst, Rickert, Sletatt, & Pian Gi, 2020).

Many companies try to satisfy employees with workplace amenities or salary, or to engage them, e.g., through job autonomy (Garton & Mankins, 2015). Satisfied employees are happy with the status quo, meaning that they feel no need for change (Straume & Vittersø, 2012), and engaged employees also like to act within the scope of their role requirements (Schaufeli, Salanova, González-Romá, & Bakker, 2002). In a stable economic environment, satisfying and engaging employees may be enough. However, in today's dynamic environment, retailers need to go one step further. Faced with unprecedented challenges, retailers need inspired employees who are sensitized to constant changes and willing to find innovative solutions to today's most pressing problems.

Amid today's turbulent times, effectively inspiring employees has never seemed more relevant. Employee inspiration is essential for various reasons. First, research in psychology shows that inspiration is a response to a new impulse in one's environment. Inspired individuals more actively adapt their behavior to new situations (Oleynick et al., 2014). Thus, when employees feel inspired, they may readily adjust their work behavior and drive change. Second, inspired individuals tend to be more creative, efficient, and productive (Thrash, Maruskin, Cassidy, Fryer, & Ryan, 2010). Inspired employees may also display a high degree of creativity and efficiency, which may enable frontline employees (FLEs) to identify and solve customer needs more quickly, thereby delighting their customers (Wang & Netemeyer, 2004).

Only a few retailers have so far realized the importance of inspiring their employees. For example, IKEA offers an "inspiring vision" and "inspiring roles" to attract

talent. Southwest Airlines seeks to instil "an inspiring purpose beyond a pay check [to] encourage people to go the extra mile" (Gallo, 2014). Although practical and empirical evidence stresses the importance of employee inspiration, to date no study has discussed the impact of employee inspiration in retailing.

While leadership studies have mainly looked at leaders and their inspirational skills, inspiration research has mostly focused on customer inspiration (e.g., Böttger, Rudolph, Evanschitzky, & Pfrang, 2017) and inspiration in daily life (e.g., Thrash & Elliot, 2003). Taking up this research gap, this article goes one step further by examining inspiration in retailing with employees as the recipients of inspiration. While previous literature has been limited to the positive outcomes of inspiration, this article also explores its potential risks.

In detail, this article examines the following three questions in the area of employee inspiration:

- How prevalent is employee inspiration in retailing today?
- What are the opportunities of employee inspiration in retailing?
- What are the risks of employee inspiration in retailing?

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Conceptualizing Employee Inspiration in Retailing

So far, inspiration has mainly been defined as a leader’s ability to transmit passion to her/his followers, motivating them to perform better (e.g., Morhart, Herzog, & Tomczak, 2009). While leaders may use inspirational measures to drive employee performance (Bass, 1985), some employees may not perceive these measures as inspiring. To understand why some employees may be inspired by leaders, coworkers, brands and the like, while others are not, our approach builds on the psychological conceptualization of inspiration proposed by the psychologists Thrash and Elliot

(2003; 2004). They identified three elements that occur when individuals become inspired: (1) They see new or better possibilities, (2) they are receptive to an outside influence, and (3) they feel motivated and energized to implement the newly learnt idea. Additionally, they conceptualized inspiration as two processes: First, a novel idea enters one’s awareness, the inspired by process. Second, one feels compelled to realize the new idea, the inspired to process. This also highlights one of the major differences between motivation and inspiration: Employees may be motivated by needs, expectations or goals. However, inspiration implies that employees are awakened to new and better possibilities and are driven by a purpose.

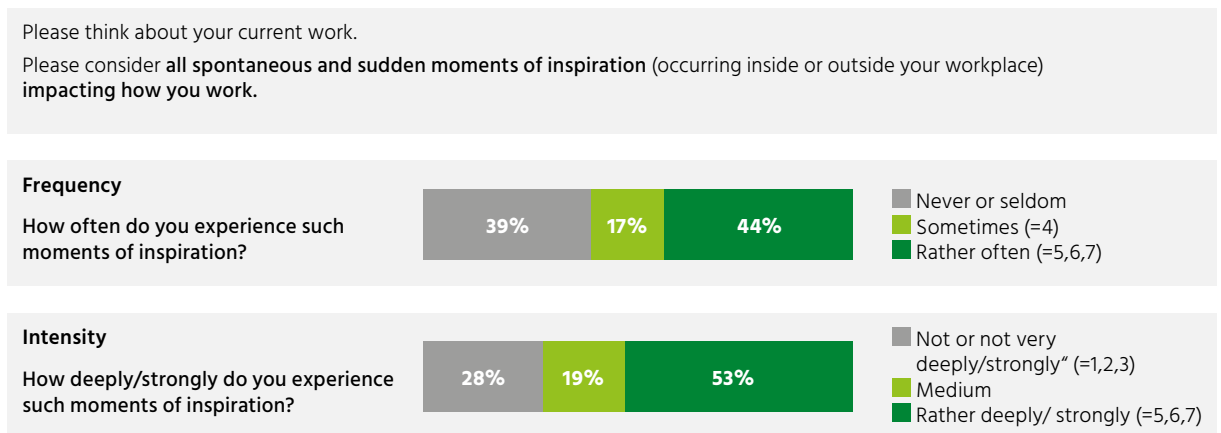
Management Summary

Inspiration may not only be relevant to people’s personal life but also to their professional life. Inspired employees tend to be more creative, which is important to flexibly adapt organizations to today’s turbulent environment. To capitalize on the positive effects of employee inspiration, this paper proposes a practical guide that allows retailers to identify their employees’ level of inspiration, its barriers and potentials.

The following example applies this conceptualization to the employee context: Imagine a student who has recently started a summer job as an FLE in an apparel firm. As the student is quite inexperienced in dealing with customers, she observes a coworker interacting with a customer. The student feels inspired by witnessing this interaction, as the observation helps her improve her own future service interactions. Subsequently, the student is inspired to imitate the observed behavior in her next customer interaction, displaying the qualities (e.g., patience) witnessed in her coworker’s service interaction.

To examine the wider implications of employee inspiration, we carried out two studies. Study 1 explores employee inspiration among a large U.S. sample in various industries, because, at its core, employee inspiration is a company-inter-

Fig. 1: Frequency and Intensity of Employee Inspiration



Source: Own illustration; scale adapted from Thrash & Elliot (2003).

Table 1: Outcomes of Employee Inspiration

Outcomes of employee inspiration	
Opportunities	<ul style="list-style-type: none"> • Enhances (frontline) employee creativity. • Generates novel service solutions to better meet customer needs. • Creates exciting and appealing shopping experiences.
Risks	<ul style="list-style-type: none"> • High level of absorption prevents employees from quickly switching between tasks. • Neglecting important stakeholder groups (e.g., customers, coworkers) due to high absorption.

Source: Own illustration.

nal metric, which may not only be relevant to retailing, but to other industries as well. Yet, to draw marketing-relevant conclusions, one needs to consider the impact of inspiration on retail employees. Therefore, study 2 focuses solely on the Swiss retail sector. The procedures and results of both studies are described in the following.

Study 1: Frequency and Intensity of Employee Inspiration

Sampling & Methods

Study 1 investigates how frequently and deeply individuals experience inspiration at work. The authors distributed a questionnaire to 508 U.S.-based employees across all industries (50% males, 39.33 years on average), using MTurk. The general inspiration scale by Thrash and Elliot (2003) was slightly adapted to measure the frequency and intensity with which employees experience inspiration at work.

Results

Concerning the frequency, 44% of the participants indicated that they experience moments of inspiration at work rather often. Concerning the intensity, 53% of participants reported to experience rather deep moments of inspiration (see figure 1). Further, employees' level of inspiration (averaging frequency and intensity) correlates with their level of managerial responsibility (i.e., managerial tasks such as supervising subordinates). Participants with managerial responsibility experience significantly more inspiration at work ($M = 4.68$, $SD = 1.35$) than participants without managerial responsibility ($M = 3.89$, $SD = 1.42$; $t(504) = 6.42$, $p < .001$). There were no significant differences in participants' levels of inspiration across different age groups, education levels, gender, customer contact (high vs. low intensity) and tenure (> 1 year vs. ≤ 1 year).

Discussion

The data reveals that inspiration is a prevalent work experience, with more than half of the workforce experiencing inspiration rather often and deeply. The level of inspiration is higher for employees with managerial responsibility. Employees may experience inspiration independently of their age. This is a crucial finding, given the aging workforce in industrial countries (Hedge, Borman, & Lammlein, 2006).

Inspiration implies that
employees are awakened to
new and better possibilities and
are driven by a deep purpose.

In Switzerland, the average age of the workforce has continuously risen and currently amounts to 41.9 years (Bundesamt für Statistik, 2020). Older employees are considered rather reluctant to learn new skills (Kanfer & Ackerman, 2004). When inspired, however, individuals gain awareness of new possibilities and thus adapt their behavior (e.g., by learning a new skill). Therefore, inspiring older employees may help energize them to learn new skills.

Study 2: Opportunities and Risks of Employee Inspiration

Sampling & Methods

Study 2 explores possible outcomes of employee inspiration. The authors conducted qualitative interviews with 14 FLEs and 10 employees in managerial positions at 10 Swiss retailers (e.g., food, cosmetics). These interviewees were selected for three reasons. First, retailers need inspired employees

who generate new ideas in order to gain competitive advantage. Second, if frontline employees are inspired by what they do, they may deliver superior customer service, thereby positively affecting the customer experience. Third, we interviewed employees in managerial positions to understand the benefits and risks of inspired retail employees from a company perspective. An explorative research approach (Homburg, Jozić, & Kuehnl, 2017) was used, as the impact of inspiration on employees is still poorly understood. To do so, the authors coded text passages and aggregated them into meaningful higher-order concepts. For instance, one interviewee reported that inspired employees “bring in new ideas for the shop layout”, while another stated that “when inspired, [she] is in a good mood, [she] has many ideas”. These text passages were merged into more abstract codes; in this case ‘idea generation by employees’.

Main Propositions

1. Inspiration at work gives rise to fruitful new ideas or new goals.
2. As opposed to inspirational leadership, employee inspiration is subjectively experienced by each employee.
3. Employee inspiration is evoked by outside stimuli, alerts employees to new possibilities, and energizes them to implement something new at their workplace.
4. Faced with today’s challenges, retailers need inspired employees who are willing to go the extra mile and are eager to find innovative solutions.

Results

Employee inspiration most often affects employee variables (e.g., employee creativity). Mostly, employee inspiration was understood as an opportunity for retailers (≈ 90% of quotes), while only a few interviewees (≈ 10%) understood employee inspiration as a risk (see table 1).

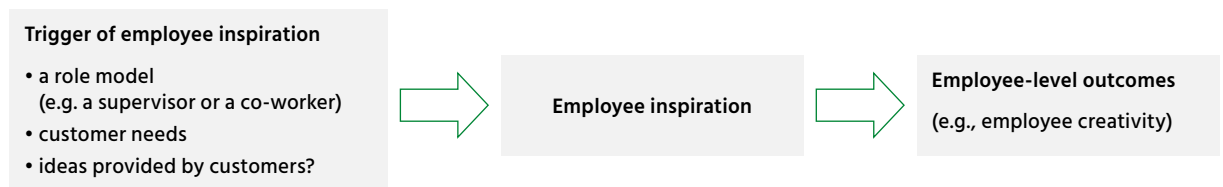
For most interviewees, being inspired entails higher levels of employee creativity. In retailing, creativity implies generating novel service solutions in order to better meet customer demands and delight customers (Dong, Liao, Chuang, Zhou, & Campbell, 2015). In line with this previous finding, an FLE working at a wholesale retailer stated:

Every employee needs to be inspired somehow, otherwise things don’t progress. If they don’t become inspired to bring in new ideas to change the shop layout or the product presentation, things stay the same. That’s somewhat boring for the customers. The result could be that they don’t return, because there’s nothing new.

The interviewee notes that inspiration may stimulate a company’s progress by allowing employees to bring in new ideas. An absence of inspiration, though, may lead to “boring” shopping experiences, as novel ideas for product presentation are missing; this may frustrate customers and potentially keep them from returning to the store. Conceptually, inspiration leads to creativity (i.e. creative output): Thus, an area manager from a textile chain states that, when becoming inspired, “an idea hits her”, which then motivates her to become creative by implementing this idea.

On the other hand, inspired employees may totally immerse themselves in their tasks. When FLEs need to handle several tasks simultaneously, immersion in one task may be risky, as this apparel FLE states:

Fig. 2: Outcomes of Employee Inspiration



Source: Own illustration.

Sometimes, I am too inspired. I have so many ideas, and I work and work, and sometimes I forget everything around me. When I started my job here, I sometimes forgot everything around me while decorating the window. But you also need to have an eye on customers.

This narrative shows that the FLE “forgets everything around her” when decorating a window display. While this state of immersion may be positive for tasks that require concentration, it may be detrimental for employees who are assigned to handle several tasks (e.g., tidying up changing rooms, replenishing stocks, and servicing customers).

Discussion

Figure 2 shows that employee inspiration usually is a reaction to an outside influence in the employee’s environment (e.g., an idea provided by a customer) and directly affects employee-level outcomes (e.g., an inspired employee may be more creative than a less inspired employee).

Employee inspiration may be highly beneficial to employers if the company knows how to deal with inspiration correctly. For instance, the outcomes of inspiration depend on the situational context. In service-based work contexts, inspired employees are considered an opportunity, as they may generate creative service solutions to address unique customer needs (Madjar & Ortiz-Walters, 2008). In highly standar-

In highly standardized environments, it may be beneficial to give FLEs the freedom to express their inspiration, as FLEs know their local customers’ preferences best.

dized work environments (e.g., supermarket chains), inspired employees may constitute a potential risk, as inspired employees may deviate from established work procedures. If supervisors do not deal with them correctly, inspired employees may increase ambiguity and complexity, thereby generating costs (Gilson, Mathieu, Shalley, & Ruddy, 2005). Even in highly standardized environments, however, it may be beneficial to give FLEs the freedom to express their inspiration,

Lessons Learned

1. While 44% of employees across various industries experience moments of inspiration quite often, nearly 40% have hardly any inspiring moments at work.
2. Employee inspiration is important in retail contexts where employees interact directly with customers.
3. In a work context, however, in which employees engage in standardized processes, managers see less potential for inspired employees.

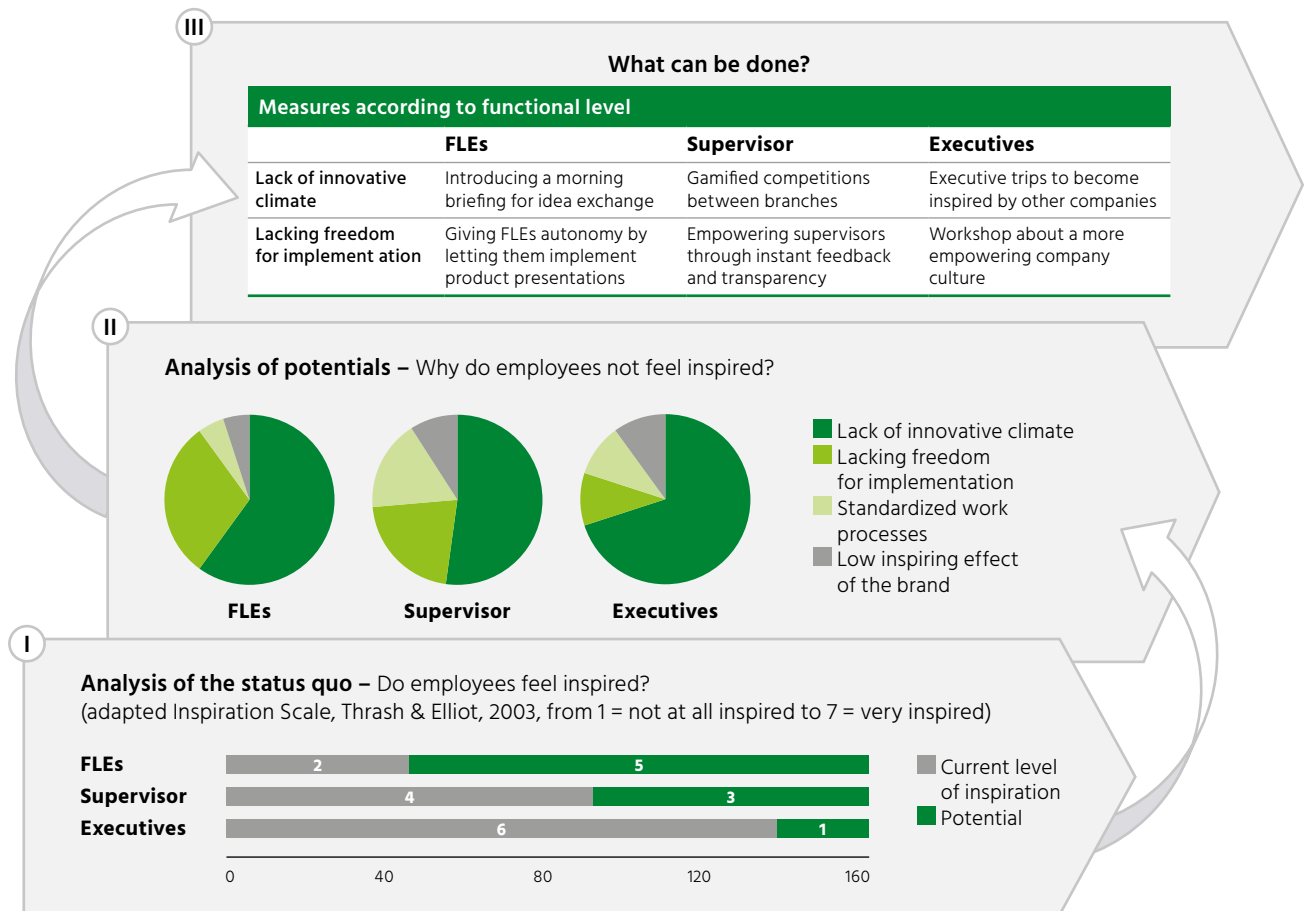
as FLEs know their local customers’ preferences best. FLEs may express their inspiration at the point of sale, for example, by making small-scale adaptations (e.g., positioning bestselling products appealingly). In this way, they may increase the store’s sales volume (Rudolph & Neumüller, 2019).

Managerial Implications

The few existing practical guides on employee inspiration put managers in the center of analysis. For example, the Bain Inspirational Leadership System (Garton, 2017) identifies 33 inspiring behaviors (e.g., worldview, one’s desire to understand different world views) that managers can work on to inspire their employees. In this context, inspirational skill is one core feature that distinguishes leaders from managers (Nayar, 2013).

Instead of examining inspiration from a manager’s perspective, our practical guide focuses on the employees’ level of inspiration. While in existing leadership literature and practical guides it is common practice to have employees rate their leaders’ inspirational influence, we follow established research in psychology (Thrash & Elliot, 2003) and ask employees to rate their own subjectively experienced level of inspiration. This latter approach is useful because employees may well be inspired by other influences other than those exerted by their leaders. For instance, an employee may be inspired by the company’s brand and achieve an extraordinary sales performance because of this inspiration. Existing literature fails to account for ‘brand inspiration’ because it is not closely related to a leader’s inspirational power. Our approach suggests to measure the employees’ level of inspira-

Fig. 3: A Practical Guide on How to Increase Inspiration (Example Case)



Source: Own illustration.

tion (step 1), to identify potentials and barriers to employee inspiration (step 2), and to implement measures on the organizational level to increase employee inspiration (step 3) (see the example case in figure 3).


Step 1: The status quo of employee inspiration on each organizational level is analyzed with a questionnaire, asking employees to rate the frequency and intensity of their moments of inspiration from 1 to 7. The inspiration scores for each employee group can be calculated by averaging intensity and frequency (for the example case in figure 3: 2/7 for FLEs, 4/7 for supervisors, and 6/7 for executives). The aggregate score

(12/21) indicates the workforce’s overall level of inspiration. Following Kumar and Pansari (2014), the overall employee inspiration score may be categorized into three levels of inspiration: a score of 3–9 indicates low inspiration, a score of 10–15 indicates moderate inspiration, and values of 16–21 are considered high. In our example, the status quo analysis indicates that the workforce’s overall level of inspiration is moderate. Subsequent measures should be applied especially among FLEs, as their level of inspiration is lowest (2/7).

Step 2: Next, it needs to be analyzed why employees of different hierarchical levels are not inspired. With the help of a ques-

tionnaire or short interviews, FLEs may report that they lack inspiration mostly because they perceive their work environment as barely innovative and they miss the freedom to express their inspiration. Note that these barriers would not appear in existing leadership guides, which tend to identify leaders' lack of inspirational skills as the only barrier to inspiration.

Step 3: In the last step, inspirational measures are developed on the basis of the shortcomings discovered in step 2

and implemented. To create an innovative climate which helps cultivate inspiration among FLEs, companies may introduce morning briefings for the exchange of ideas. Furthermore, to give FLEs more freedom for implementation, the employees may be given the chance to design and implement presentation layouts for selected products. Other measures may be necessary, depending on the group of employees that needs support and on the reasons for their low levels of inspiration. 

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