



RESEARCH PAPER

Impact of Employees' Behavior on Sales: A Case Study of L'oreal Pakistan

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The purpose of this research is to find out the employee's behavior impact on organizational sales and case study of L'Oreal Pakistan is chosen in this regard. Researcher investigate in this study that what are the factors which significantly impact employee behavior and sales of L'Oreal Pakistan. A quantitative approach was employed for this study. Data were collected from 120 participants using an online questionnaire. The findings of the research show that the independent variable is indicators of job responsibilities and organizational culture has changed the behavioral motivation of company employees and this motivational behavioral change has a positive impact on sales of L'Oreal Pakistan. This research investigated those factors which can directly influence employee behavioral motivation and can perform better and contribute more to sales.

Introduction

Employees' motivation or behavioral aspects has a relationship with organizational sales or profit it found to help achieve organizational goals and is becoming a growing concept in today's marketing discipline since it continuously delivers attraction for both consumers and firms for effective relationships (Jacobs, 2014). In light of this, research focuses on assessing the impact of employee behavioral aspects on sales and marketing on-brand as the business case. Keeping in mind the end goal to overcome these challenges companies ought to make a solid and positive association with its workers and direct them towards errand fulfillment.

Wolter et al., (2019) examined that the focus on the employee satisfaction can help to bring a robust change in the overall outcomes and profitability of the organizations. By and by, only a couple of companies consider the human capital just like their principal resource, fit for driving them to achievement or if not

oversaw appropriately, to decay (Meuter, 2000). If the workers are not happy with their employments and not propelled to satisfy their undertakings and accomplish their objectives, the association can't achieve achievement. Individuals have numerous necessities that are persistently contending one with another (Elnaga, 2013).

It is fundamental for a chief to comprehend what truly thought processes representatives, without making only a suspicion. Asking a representative how he feels about a specific circumstance does not give an exact assessment of his needs, as the translation could mutilate the truth itself. The nearer one gets his recognition of a given reality, the higher is the likelihood to impact that particular reality. Along these lines, directors can build their viability by improving handle on the genuine necessities of the representatives. Herzberg (1964) recognized two unique classes of requirements: cleanliness components and helpers, which are autonomous and impact conduct in various ways. Individuals that are disappointed with their employments are worried about the workplace, while fulfilled people feel good with their employments. The principal class (cleanliness components) alludes to authoritative strategies, supervision, working conditions, cash security, or interpersonal relations. Even though these variables are not an inborn piece of the occupation and they try not to impact the laborer's yield limit, however, they anticipate low execution because of work confinements. On the other hand, the second class is spoken to by elements that include sentiments of accomplishment, proficient development, and acknowledgment. These elements don't just positively affect work fulfillment, however, they likewise increment one's aggregate yield limit (Khan, 2012).

This research aims to identify the impacts of employee behavior on organizational sales and a case study of L'Oreal Pakistan has been taken. The research is significant in this sense. All over the world; businesses are facing intense competition for which it has become necessary for employees to develop complex skills and abilities to achieve outstanding business performance (Khan, 2016).

With the increasing availability of substitute products and awareness of cosmetics products in Pakistan, it has become challenging for L'Oreal to continue its market leadership in the country. Although the company has been known for its high-quality products it has to face competition from other companies such as MAC, Maybelline, Medora, Avon, Revlon, and Urban decay. (BMS, 2016) It is high time for companies to search for strategies due to which the sustainability of its product can be maintained and sales can be improved even in the presence of competitors. Before developing any strategy it is always fruitful to analyze the factors and prospective effects of implementing it (Locke, 1970). Otherwise, the investment and affords that are involved in developing and implementing a particular strategy could result in vein. Thus assessing and improvising the employee's behavior would provide the opportunity to L'Oreal to improve its sales and maintain its brand image in the market.

Literature review

This section contains literature regarding the argument, that employee behavioral aspects affect organizational sales. Employee behavior weathers its positive or negative effects accordingly on organizational profit. L'Oreal is operating in Pakistan for quite some years and is also setting milestones in the beauty industry of Pakistan because of the innovative ideas of the products (O'Donnell, 2003). These innovations make L'Oreal a prominent brand among other brands working in Pakistan. It is observed that L'Oreal spends a huge amount of budget on the training of their employees. Training of the employees according to the changing products and according to the need of hour brings revolutions in the organization (Akhtar et al., 2016). Brayfield and Crockett (1995) presumed that there was a regretful connection between occupation fulfillment and execution, naming it as "negligible or no relationship" (p. 405).

Customer satisfaction positively influences customer affective commitment, and employee empathy negatively moderates the relationship between sensory brand experience and customer satisfaction (Iglesias, 2019).

The personality of any employee is equally important and plays a significant role in increasing the sales of the organization (Jones, 1990). Positive behavior and a good response from an employee can lead to customer satisfaction (Roethlisberger, 1941). The most important thing that we want to understand is how we can produce such type of environment at a working place that can bring a positive personality in the employees so that their dealing with the customers remains positive. Researches reveal that agreeableness and conscientiousness are the two factors that have a very strong relationship with the performance of the organization and also with the personalities of the employees working in that organization (Mishaet al., 2015)

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Conceptual framework and Hypothesis Development

Above literature possess following frame work



Groen, (2019) built an opinion after careful analysis of the past and recent studies that along with other factors, psychological aspect, effective communication, privacy, love to openness, workplace diversity plays an important role in keeping the employees satisfied. These factors also help in increasing the capabilities of the employees that ultimately helps in increasing sales.

Behavior/attitude is known as the feelings and these feelings greatly influence the behavior of the employee in a working environment. These feelings might be helpful and favorable sometimes but some of the time it might be not that favorable. The behavior of the employee largely affects the working environment of the organization and sometimes the working environment affects the behavior of the individual (Brem, 2018). It is the responsibility of the management to control all those factors that may affect the performance of the employees. Such types of schemes must be introduced that may increase the working capacity and productivity of the employees. Whereas, minimize the factors that may reduce the efficiency of the employees (Stone and Stone, 2013). Many studies reveal that many factors are responsible for increasing/decreasing the working capacity of the employees. The performance of the L'Oreal employees was checked when the management increases the training and development of the employees (Robbins, 2001). Many of the contracts and orders were failed due to the ineffective training of the employees, whereas after proper training and development the effectiveness of the employees increase, and the goals of the organization were achieved successfully. Whereas, if we see the condition before training and development we see that many of the projects of L'Oreal were failed on very initial bases due to less trained staff and ineffective workers, but when the worker got trained then there was seen a boost in the growth of the organization and achievement of the goals (Frank et al., 2014)

Regularly, the employees must get rewards for their performance. There must be promotional packages, bounces, incentives, and other rewards that may motivate the employees to work even harder. The market of today is much more competitive as compared to the market of a decade back. Organizations can be successful only when employees work with devotion and motivation. The performance of the organization is measured by the management team. This is a very crucial and important task for the management of the organization. Motivated employees can bring revolution to any organization. In any organization, all of the

employees will never get motivated by the same type of incentives. For example, some of the employees get motivated with any increase in the salary, whereas, some of the employees get motivated with increased incentives. Some of the workers in an organization get motivated with a satisfying working environment. Therefore, the management team must deal with the employees according to their needs. The rewards given to the employees must be per the requirements of the worker. Reward management is arranged by the management/leadership of the organization (Loughlin, 2001). The team manages and observes that what are those innovations that will work best in the organization. The management team observes and focuses on their employees and then rewards are given according to the needs of the employees. This is one of the best techniques that can help to make the workers satisfied and the satisfied employees work even harder and better for their organization. But this is not an easy task to do. The team must work on the facts and on the evidence-based methodologies for giving rewards to the employees (Armstrong et al., 2011). There is a very strong relationship between leadership and the performance of the employee. Many studies of descriptive and analytical types reveal that there is always found a very strong relationship between the leadership of the organization and the performance of the employees (Simpson, 2016). It is also found that if there are performance appraisals of the employees on regular basis then it will also improve the behavior of the employees in an organization.

The philosophers think and make a list of six key motivators after careful analysis that will help to motivate the employees. Hierarchy is one of the key motivators for employees in any organization even when the owner/owners and the employees experience very little communication gap. Promotions and expectations ranked as the second key motivator and “recognition” as the third motivator for employees. The fourth motivator was a good salary and the last motivator was the organizational style or work culture in any organization. The results reveal that a good salary is a motivator of the job but before that job satisfaction is one of the key motivators from the list of six motivators made by the research analysts.

As we talked about earlier that there must be a strong bond between the management team and the employees of the organization. This is the only way the workers will discuss their issues. For achieving this goal, the manager or the management team must include all the workers in any type of decision and can be done when there is no communication gap between the management and the employees (Mgabo, 2013). Many studies reveal that the performance of the employees greatly affects the satisfaction of the customers (Van Woerkom, 2002). To increase the performance of the employees there must be a reliable relationship between the management and the workers of the organization. The influence of this reliability can be seen and judge from customer satisfaction. The three characteristics that may increase customer satisfaction are empathy, reliability, and expertise (Alvi et al., 2014).

Motivation is one of the key factors that help to increase the level of energy and loyalty in the employees (Kalimullah, 2010). The agency theory is also linked with the issues of ownership. If the ownership of the organization is separated from day-to-day running, then the owner/owners of the organization must vest their authority to another "agent" who act them behave for running the routine works of the organization.

Based on the empirical literature presented in section 3 and the theoretical foundation mentioned above the following hypothesis is formed.

H₀= Employee behavior has no impact on sales of L'Oreal Pakistan.

H₁=Employee behavior has an impact on sales of L'Oreal Pakistan

Material and Methods

As expressed above, a quantitative approach was utilized as a part of this exploration. The required quantitative information was accumulated through essential sources (utilizing a questionnaire) while a portion of the subjective information was assembled using optional sources. Essential information was accumulated through a web-based unstructured questionnaire. This self-regulated organized questionnaire with close finished inquiries was utilized to gather essential information from an example of 150 respondents who are the occupants of the Pakistan region. The connection to the online survey was sent through email after acquiring the member's assent. The created questionnaire was sent to a couple of respondents as a pilot overview to ensure inquiries are planned intelligently.

An unstructured questionnaire was used to gather data concerning the respondents' employee behavior the questionnaire consists of 3 subcategories.

Section 1: This section contains demographic data such as age, district of residence in Pakistan your time duration of job and post in L'Oreal Pakistan, and whether the participants have a Facebook account. These questions are following sample selection which will be explained under 'Sampling Method'.

Section 2 This section include a question to company reward system such as bonuses Promotion fringe benefits

Section 3 This section include questions related leadership how much employee has the decision-oriented capability

An econometric model is constructed to analyze of hypothesis. The left-hand side contains a dependent variable which is employee behavior and the right-hand side contains all indicators of job responsibilities. Communication and reward system and organizational culture. Xi contains all those indicators of explanatory variables the details of which are given below in the table.

Variables	Indicators
Leadership	The model of leadership adopted e.g. servant leadership etc.
Reward system	Bonus, promotion. Extra wages .benefits insurance
Hierarchy	The gap between the work force and the executives

Empirical Results

Logistic Regression Analysis

The results extract that for improving sales of L'Oreal Pakistan employee behavior needs to be improved by 64 times. So we reject our hypothesis that employee behavior has no impact on organizational sales.

Employee behavior on sales			
Frequency of the respondents		150	
Negative feedback		85	
Positive Feedback		65	
Variables		β Significance	
<i>Demographic profile</i>			
gender	-0.11	0.164	
Age	174.415	0.000	
duration	48.204	0.000	
<i>Reward system</i>			
bonus	140.823	0.000	
promotion	-48.646	0.000	
Extra wages	258.775	0.000	
benefits	3.096	0.000	
insurance	-2.731	0.000	
Family package	-277.86	0.000	
<i>Leadership</i>			
free to make	0.34	0.120	decision
own ideas	0.21	0.240	formulation
Constant	36.999	0.000	

The above table gives the estimation results of the variable used in the study. Here we highlighted only those variables which were found to be significant at a 5% or 10% level of significance. In the logistic regression, the decision is to take place on the basis of the Wald test. In the above table gender and leadership are found to insignificant. Age is approximately 5% is likely to decide that employee behavior affecting the company's sales as it is to decide employee behavior is not affecting the

company's sales. This argument also provides us evidence that employees that belong to different age class have differed motivational level and different things which affect their behavior so these factors differ age to age. Experience is approximately 8.6% is likely to decide that employee behavior affecting the company's sales as it is to decide employee behavior is not affecting the company's sales. The position on which the employer is being employed is factoring that affects employee behavior in a company. Mostly top management behaves differently from no managerial positions. If a person is employed at their dream job then their motivational level is different if work assigned to employees that is according to their choice is a strong factor that affects their behavior. A dream job is approximately 0.001% is likely to decide that employee behavior affecting the company's sales as it is to decide employee behavior is not affecting the company's sales. The workload is approximately 4.9% is likely to decide that employee behavior affecting the company's sales as it is to decide employee behavior is not affecting the company's sales. If the employee is facing the problem of overload it behaves negatively in the company.

Bonuses are approximately 14% is likely to decide that employee behavior affecting the company's sales as it is to decide employee behavior is not affecting the company's sales. When an employee is performance base bonuses its motivational level increase and it behaves positively. Promotion is approximately 7% is likely to decide that employee behavior affecting the company's sales as it is to decide employee behavior is not affecting the company's sales. When an employee is performance base promotion its motivational level increases and it behaves positively. Extra wages is approximately 2.4% is likely to decide that employee behavior affecting the company's sales as it is to decide employee behavior is not affecting the company's sales. When an employee is performance base wages its motivational level increase and it behaves positively. Benefits are approximately 22% is likely to decide that employee behavior affecting the company's sales as it is to decide employee behavior is not affecting the company's sales. When an employee is performance base benefits its motivational level increase and it behaves positively. Insurance is approximately 0.6% is likely to decide that employee behavior affecting the company's sales as it is to decide employee behavior is not affecting the company's sales. Family recreational packages are approximately 0.0001% is likely to decide that employee behavior affecting the company's sales as it is to decide employee behavior is not affecting the company's sales. When an employee is performing base recreational its motivational level increase and it behaves positively.

Conclusion

Findings of that Research explain as Results indicate that overall 64.2% of respondents, who are either, possess negative or positive behavior impact on L'Oreal Pakistan sales. We can say that by improving sales of L'Oreal Pakistan employee behavior needs to be improved by 64 times. The results decided that employee behavior has an impact on the company's sales. The Reward system is found to be the most motivational factor which can directly emphasize employee behavior.

Results show that 50% of employees getting bonuses while 90 % promise to be promoted on a performance basis. By keeping in view the results of the data it is observed that if the organization has a very complex hierarchy and all the powers are in the hands of the executives then it will be very difficult for the staff to run their day to day matters as quick decision making is required in some matters. The minimal gap between the labor and the executives ensure a good hierarchy and strong bonding. A better reward system also lures the staff to produce their best by using minimal resources. Therefore, a good reward system must be established in the workplace that helps to keep the employees motivated and to work hard. Different models of the hierarchy have been introduced by the researchers but the best experience and result-oriented model is the "Servant Leadership". The executives must try this system on the organization to bring out the best.

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