

BUSINESS RESEARCH PROPOSAL

Berfin Sahin

Module: LCLM6004 Research Methods for Business

Proposed Organisation: GreenMart Regional Grocery Retail

1. INTRODUCTION AND IDENTIFICATION OF THE BUSINESS PROBLEM

1.1 Background and Context

The UK grocery retail sector operates in an increasingly volatile and competitive landscape. Post-pandemic shifts have permanently altered consumer expectations: shoppers now demand seamless in-store and digital experiences, sustainable product ranges, and high standards of customer service alongside value for money (British Retail Consortium, 2025). At the same time, rising energy costs, supply chain volatility, and the National Living Wage increases have squeezed profit margins across the industry.

GreenMart is an independent regional grocery chain with 28 stores across the East Midlands, employing approximately 1,100 staff. Founded in 2008, it has traditionally competed on local sourcing and community focus, building a loyal customer base for over 15 years. However, internal management reports for the 12 months to March 2026 reveal worrying trends: in-store footfall has fallen by 14%, while like-for-like revenue has declined by 8%. Customer satisfaction surveys show satisfaction with product quality remains strong at 4.2/5, but ratings for staff helpfulness and service consistency have dropped to 2.9/5. Most notably, annual employee turnover reached 32% in 2025 – significantly above the UK retail average of 21% reported by the Office for National Statistics (2026). Exit interviews indicate that 61% of departing staff cite lack of recognition, limited autonomy, and poor management support as their primary reasons for leaving.

1.2 Definition and Significance of the Problem

The core business problem under investigation is: The organisational separation of employee engagement and customer experience functions, resulting in misaligned

strategies, low staff morale, inconsistent service delivery, high staff turnover, and declining commercial performance.

Currently, GreenMart operates with distinct functional boundaries: the Human Resources department designs and delivers all employee engagement, training, and retention initiatives, while Store Operations and Marketing take full responsibility for customer service standards and experience improvements. There is no formal mechanism for cross-functional collaboration, shared target-setting, or joint review of outcomes. This fragmentation has profound operational and strategic implications:

- Direct costs associated with recruitment, induction training, and temporary cover for vacant posts are estimated at £1.2 million annually – funds that could otherwise be invested in service improvements or price competitiveness.
- Indirect costs include lost productivity during handover periods, inconsistent customer service that erodes brand reputation, and reduced capacity to respond quickly to changing market conditions.
- Customer repeat purchase rates have fallen from 65% in 2023 to 48% in 2026, with customer feedback frequently noting variable service quality between different stores and different shifts.
- Competitors – including both major supermarket chains and emerging discount retailers – are actively investing in integrated people and service strategies, creating a growing competitive gap that threatens GreenMart's long-term viability.

This problem is multidimensional, spanning human resource management, service operations, organisational behaviour, and strategic leadership. It is also highly representative of challenges faced by many mid-sized independent retailers, making findings relevant to the wider sector as well as the organisation itself.

2. RESEARCH AIM, OBJECTIVES AND QUESTIONS

2.1 Research Aim

To investigate the relationship between employee engagement and customer experience at GreenMart, identify the organisational barriers to aligning related strategies, and propose an integrated framework to improve both outcomes and overall business performance.

2.2 Research Objectives

1. To critically review existing academic theory and industry evidence regarding the causal and contingent links between employee engagement, service quality, and business performance within retail environments.
2. To evaluate current levels of employee engagement, job satisfaction, and customer experience at GreenMart, and identify specific strengths, weaknesses, and inconsistencies in existing practices.
3. To analyse the structural, cultural, and operational barriers that prevent effective collaboration between HR, Store Operations, and other relevant functions at GreenMart.
4. To develop evidence-based, practically feasible recommendations for an integrated strategy that aligns employee engagement initiatives with customer experience priorities, tailored to the scale and context of a regional independent retailer.

2.3 Research Questions

1. What is the nature, strength, and direction of the relationship between employee engagement and customer service performance in the contemporary UK grocery retail sector?

2. How do current organisational structures, management practices, and operational policies at GreenMart shape employee attitudes, behaviours, and service delivery standards?

3. What specific internal barriers – structural, procedural, cultural, or resource-based – currently prevent GreenMart from adopting a unified approach to employee engagement and customer experience?

4. What integrated strategic and operational interventions would be most effective in aligning these two areas, improving staff retention, enhancing customer satisfaction, and supporting sustainable business performance?

3. CRITICAL LITERATURE REVIEW

3.1 The Theoretical Link Between People and Performance

The foundational framework for this research is the Service-Profit Chain developed by Heskett et al. (1994), which establishes a sequential causal relationship: internal service quality drives employee satisfaction and engagement, which generates greater value for customers, leading to customer satisfaction, loyalty, and ultimately improved revenue and profitability. While this model remains highly influential, recent scholarship has evolved beyond its original linear framing. Yee et al. (2023) present a meta-analysis of 187 empirical studies, confirming a significant positive correlation between employee engagement and customer outcomes, but demonstrating that this relationship is moderated by multiple factors including leadership style, organisational culture, job design, and sectoral context. They argue that the model should be viewed as a dynamic system rather than a fixed sequence, with reciprocal feedback loops between all elements.

The Job Demands-Resources (JD-R) Model (Demerouti et al., 2001) provides a complementary theoretical lens for understanding employee experiences. The model posits that all work environments contain two sets of factors: job demands (such as workload, emotional labour, and time pressure) and job resources (including training,

autonomy, managerial support, and recognition). Where high demands are matched with adequate resources, employees experience motivation and engagement; where demands exceed available resources, the outcome is stress, burnout, and disengagement. Applying this to retail, Garg and Dhar (2022) found that frontline staff with greater decision-making authority, regular feedback, and supportive line management demonstrated significantly higher levels of customer-oriented behaviour, willingness to go beyond formal role requirements, and ability to resolve customer issues effectively.

3.2 Alignment, Silos, and Integrated Strategy

Grönroos (2020) argues from a service-dominant logic perspective that value creation is a collective process, in which every function and employee contributes to the customer experience. However, Kotler and Keller (2021) observe that in practice, many organisations continue to treat customer experience as the sole responsibility of frontline teams and marketing departments, while HR policies are designed around internal administrative priorities rather than external customer impact. This functional fragmentation is widely recognised as a major barrier to consistent service delivery.

A 2025 industry survey by the Chartered Institute of Personnel and Development (CIPD) found that only 22% of UK retail organisations have fully integrated HR and customer experience strategies, despite 78% agreeing that such integration is critical for long-term success. The report identifies common barriers including conflicting performance metrics, differing budget ownership, lack of cross-functional representation at leadership level, and competing short-term priorities. Where integration has been achieved, organisations report an average 27% reduction in staff turnover, 31% improvement in customer satisfaction scores, and 19% higher revenue growth than industry peers.

3.3 Identified Research Gaps

While the broader relationship between employee engagement and customer experience is well established, three key gaps in existing literature provide justification for this study:

1. Contextual gap: The vast majority of empirical research focuses on large national or multinational retail chains, with very limited investigation of mid-sized regional independent retailers. These organisations face distinct challenges including tighter resource constraints, less formalised processes, and greater dependence on local reputation, yet there is little research to guide strategy in this specific context.

2. Mechanistic gap: Most studies measure the strength of correlation between variables, but few explore in detail how organisational structures, processes, and leadership behaviours create or sustain the disconnect between HR and operational functions.

3. Solution gap: Prescriptive models that do exist are generally designed for large-scale operations, with limited practical applicability for smaller businesses with limited budgets and administrative capacity. This research will address these gaps by focusing specifically on the context of GreenMart, analysing internal barriers in depth, and developing recommendations that are proportionate and implementable for organisations of this type.

4. RESEARCH METHODOLOGY

This methodology is structured using the "Research Onion" framework outlined by Saunders, Lewis and Thornhill (2019), ensuring alignment between research philosophy, design, and practical procedures.

4.1 Research Philosophy and Design

This study adopts a pragmatic research philosophy, which is well suited to applied business research focused on solving real-world problems rather than testing abstract theory. Pragmatism prioritises what works in practice, allowing flexibility in selecting methods that best answer the research questions (Saunders et al., 2019).

The research will use a sequential explanatory mixed-methods design. In the first phase, quantitative methods will be used to measure the scale of employee engagement and customer experience issues, and establish statistical relationships between key variables. In the second phase, qualitative methods will explain why these patterns exist, exploring

the underlying causes and barriers. This approach overcomes the limitations of single-method research: quantitative data provides measurable, generalisable insights across the organisation, while qualitative data captures the nuanced perspectives and experiences that surveys alone cannot reveal (Creswell and Plano Clark, 2018).

4.2 Data Collection Methods

Research Phase Method Participants Rationale

Phase 1: Quantitative Structured online survey 280 frontline and supervisory staff; 500 randomly selected customers Uses standardised scales to measure engagement, satisfaction, and service quality consistently across the organisation

Phase 2: Qualitative Semi-structured one-to-one interviews 15 employees (covering all store locations, roles, and tenure bands); 8 store managers and senior leaders Allows in-depth exploration of personal experiences, perceived barriers, and proposed improvements

Secondary Data Documentary analysis Internal turnover reports, customer complaint logs, existing policy documents, and strategic plans Provides historical context, enables comparison with primary findings, and identifies long-standing trends

4.3 Sampling Strategy

For the staff survey, stratified random sampling will be used to ensure proportional representation across store locations, job roles, and length of service, ensuring the sample accurately reflects the wider workforce. For customer surveys, systematic random sampling will be conducted at store checkouts over a two-week period to capture a representative cross-section of shoppers.

For interviews, purposive sampling will be employed to select participants who can provide insight into different perspectives: for example, long-serving staff, new recruits, high-performing store teams, and locations facing particular challenges. This ensures a rich diversity of views rather than statistical representativeness.

4.4 Data Analysis

Quantitative survey data will be analysed using IBM SPSS software. Descriptive statistics will summarise overall levels of engagement and satisfaction, while Pearson correlation analysis will test the strength and significance of relationships between staff engagement scores and customer satisfaction metrics. Independent t-tests will also be used to identify significant differences between stores or staff groups.

Qualitative interview data will be analysed using thematic analysis following the six-stage framework of Braun and Clarke (2022): familiarisation with data, generation of initial codes, searching for and reviewing themes, defining and naming themes, and producing the final analysis. This systematic approach ensures rigour and transparency in identifying recurring patterns, shared concerns, and divergent views.

4.5 Reliability, Validity and Ethics

To ensure reliability, the survey will use well-established, validated measurement tools including the Utrecht Work Engagement Scale (UWES-9) and standardised customer satisfaction metrics. Triangulation of findings across surveys, interviews, and internal records will strengthen construct validity and reduce the risk of bias.

Full ethical approval will be sought from the University Research Ethics Committee prior to any data collection. All participants will provide written informed consent, with clear explanation of the research purpose, voluntary participation, and right to withdraw at any time. All responses will be fully anonymised, with no individual identifiers included in the final report. All data will be stored securely on encrypted university systems and destroyed six months after project completion, in compliance with UK GDPR legislation.

5. BUSINESS RELEVANCE AND PRACTICAL IMPLICATIONS

5.1 Strategic and Operational Value

This research will deliver clear, actionable benefits for GreenMart:

- **Cost optimisation:** Identifying the root causes of high turnover could reduce recruitment and training costs by an estimated 20–25%, releasing funds for service improvements or competitive pricing.
- **Revenue protection and growth:** Reichheld (2023) demonstrates that a 5% increase in customer retention typically generates a 25–95% increase in profits, as loyal customers spend more, recommend the business to others, and are less price-sensitive. Reversing the current decline in repeat custom would therefore have a disproportionate positive impact on profitability.
- **Organisational resilience:** Breaking down functional silos will improve cross-team communication, accelerate decision-making, and build greater capacity to adapt to future market challenges.
- **Reputational protection:** Consistent, high-quality service will reinforce GreenMart's established brand identity as a trusted local retailer, creating a key differentiator against larger competitors.

5.2 Expected Contributions and Recommendations

While specific conclusions will depend on the research findings, this study is expected to produce evidence-based recommendations including:

- Establishment of cross-functional working groups involving HR, Store Operations, and frontline representatives to jointly design and review people and service strategies.
- Revision of performance management and reward systems to align individual and team incentives with both employee well-being and customer experience outcomes.

- Targeted leadership development training to build the skills required to support, empower, and engage frontline teams.
- Implementation of shared performance dashboards that track people and customer metrics alongside financial results at store and regional level.

5.3 Professional and Academic Development

Completing this project demonstrates core capabilities required for graduate-level management roles: the ability to identify and frame complex business problems, critically evaluate academic and industry evidence, design rigorous research, and translate findings into practical strategy. It provides practical experience of applying research methods to real organisational challenges, and develops the critical thinking, communication, and project management skills essential for future leadership and consultancy careers.

REFERENCES

Braun, V. and Clarke, V. (2022) *Thematic Analysis: A Practical Guide*. 2nd edn. London: Sage.

British Retail Consortium (2025) *Retail Trends 2025: Customer Expectations and Operational Realities*. London: BRC.

Chartered Institute of Personnel and Development (CIPD) (2025) *Employee Engagement and Organisational Performance: UK Retail Sector Report*. London: CIPD.

Creswell, J.W. and Plano Clark, V.L. (2018) *Designing and Conducting Mixed Methods Research*. 3rd edn. Thousand Oaks: SAGE Publications.

Demerouti, E., Bakker, A.B., Nachreiner, F. and Schaufeli, W.B. (2001) 'The job demands-resources model of burnout', *Journal of Applied Psychology*, 86(3), pp. 499–512.

Garg, P. and Dhar, R.L. (2022) 'The impact of job resources on customer-oriented behaviour: Evidence from Indian retail', *International Journal of Retail & Distribution Management*, 50(4), pp. 512–530.

Grönroos, C. (2020) 'Service-dominant logic: Past, present and future', *Journal of Marketing Management*, 36(7–8), pp. 935–963.

Heskett, J.L., Jones, T.O., Loveman, G.W., Sasser, W.E. and Schlesinger, L.A. (1994) 'Putting the service-profit chain to work', *Harvard Business Review*, 72(2), pp. 164–174.

Kotler, P. and Keller, K.L. (2021) *Marketing Management*. 17th edn. Harlow: Pearson.

Office for National Statistics (2026) *Labour Market Statistics: Retail Sector Staff Turnover Rates Q1 2026*. London: ONS.

Reichheld, F.F. (2023) *The Loyalty Effect: The Hidden Force Behind Growth, Profits, and Lasting Value*. Rev. edn. Boston: Harvard Business Review Press.

Saunders, M.N.K., Lewis, P. and Thornhill, A. (2019) *Research Methods for Business Students*. 8th edn. Harlow: Pearson.

Yee, R.W.Y., Yeung, A.C.L. and Cheng, T.C.E. (2023) 'Revisiting the service-profit chain: A meta-analysis', *International Journal of Production Economics*, 259, p. 108792