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# The Feasible Linkage between Pay Dispersion and Job Performance in the Case of U.S. Retail Sales Workers

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## Abstract

**Purpose:** This study seeks to address the omission through examining the manner in which demographic similarity affects the responses of employees in the retail sector towards horizontal pay dispersion. Through doing so the study will be effective in bolstering the recent efforts of more careful exploration of conditions. **Research design, data, and methodology:** Scant past studies are available to guide for practitioners in retail sector which compensation strategy might lead adequate job performance for retail sales workers. To suggest possible solution, the present authors used variables of pay dispersion and obtained 317 US retail sale workers in distribution channels to measure the association between pay dispersion and employee job performance. **Results:** The statistical findings indicated both first and second hypothesis could be acceptable with favorable Beta and T values, resulting high degree of pay dispersion leads a low level of job performance, while a low degree of pay dispersion can motivate retail sales workers to improve their performance. **Conclusions:** The findings of this study raises an argument that processes of social comparison work in a more vigorous manner. This is thus a representation of the propensity of a retail sales worker to voluntarily resign from an organization when dispersion rates are higher.

**Keywords:** Retail Sales Workers, Retail Channel Management, Wage Dispersion, Structural Equation Modeling

**JEL Classification Code:** L81, J33, O15

## 1. Introduction

The establishment of comparisons between the outcomes of different individuals is considered to be a basic activity. There has also been the recognition that satisfaction is not entirely determined by the absolute value of the rewards that one gets but also their value in relation to the rewards of others (Palomino, Rodríguez, & Sebastian, 2020). Making such comparison is considered to be normal and extreme in organizational set ups where work has been structured to revolve around tasks that are interdependent and need collaboration, interaction and cooperation (Palomino et al.,

2022; Rouen, 2020). As a result, numerous scholars have been on a continuous mission of understanding the consequences associated with the fact that there is the probability of workers comparing their pay to that of their coworkers. Researchers have thus sought out to establish the manner in which pay dispersion, which is also referred to as the differences in earning amongst employee groups, affect group level and individual outcomes such as motivation, performance and turnover (Palomino et al., 2022).

Individuals like to compare themselves with others working in the same job, work unit and organization hence these boundaries are considered to be important determinant

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of worker earnings and to have a huge impact on the amount of information that people have to enable them to make comparison (Weller, Süß, Evanschitzky, & von Wangenheim, 2020). As much as the major tenet of the social comparison theory is the view that individuals consider others sharing the same attributed to be the most desirable comparison standards, it is evident that demographic similarities have a huge impact on the choice of referents. The Individuals tend to establish stronger connections so as to obtain more information that is demographically the same as that of others. Furthermore, people may expect those that are demographically similar to them to share various experiences and attributes such as earnings which makes these individuals deemed as similar to be a highly appropriate pay referent choice (Weller et al., 2020).

The manner in which managers determine the most effective ways of distributing wages to different employee groups is considered to be of practical and conceptual importance. One theory has been seen to give insights on how employees may be responsive towards distributions that are compressed or dispersed if however, the responses are varied in accordance with the demographic characteristics of the work settings, the predicted outcomes may be varied in accordance with individuals within the groups (Rouen, 2020). The incorporation of work-unit demographics into the evaluation of dispersion of pay creates room for the accurate reflection on the dynamics that managers of contemporary organizations face as they seek to determine the most effective wage distribution method. Individuals are also considered to be highly likely of proactively seeking out and passively obtaining information from individuals that are of their referent groups.

This is an indication that there is a lower probability of having information in relation to the pay of dissimilar others (Meemken, Barrett, Michelson, Qaim, Reardon, & Sellare, 2021). There is an assumption that workers are highly aware of the different levels of pay dispersion in work units that consists majorly of dissimilar individuals (Willman & Pepper, 2020). There is thus the assumption that in work units that have a higher rate of pay dispersion, workers are highly likely to voluntarily exit firms if they are seen to be more demographically similar to other individuals in the same unit.

The current study seeks to address the omission through examining the manner in which demographic similarity affects the responses of employees in the retail sector towards horizontal pay dispersion. Through doing so the study will be effective in bolstering the recent efforts of more careful exploration of conditions under which employees in the retail sector may respond in a different manner when it comes to horizontal pay dispersion (Anner, 2020). The study therefore argues that the intensity of

demographic similarity that individuals share with their colleagues in the work unit has an impact on the manner in which they react towards pay dispersion which may be evidenced by employees voluntarily exiting a firm (Deeb, Alananzeh, Tarhini, & Masa'deh, 2020). To support the main argument of the study, existing theory is utilized in contending that the referent selection processes may be highly impacted by demographics similarity which subsequently has a huge impact on the way individuals respond to different levels of pay dispersion with different job performance (Lee, Ng, Shevlin, & Venkat, 2021).



**Figure 1:** Main Argument of the Current Study

## 2. Literature Review

Before establishing a discussion on the theoretical arguments that connect pay dispersion, demographic similarity which in this case incorporates US retail sales workers and workers turnover, there is need for the definition of the constructs of interest in this study. The study seeks to evaluate horizontal pay dispersion which emphasizes on the variations in pay amongst retail sales workers in wholesale and retail stores (Trevor, Reilly, & Gerhart, 2012; Leonard, Levine, & Joshi, 2004). Horizontal pay dispersion is considered to be befitting because when the rewards of retail sales workers are compared to that of others, individuals may choose referents working in a similar hierarchical level. This therefore implies that the referents that will be utilized have compatible and similar experiences and qualifications. The measures of the demographic similarity act as a reflection of the intensity of which individuals are similar to others in their workplace in terms of race or gender (Anner, 2020).

The study focuses on demographic similarity since it is considered to be very important especially in the process of referent-selection since it leads to the development of communication, affiliation and social interactions (Wilmers, 2018). Individual choices on whether or not to leave an organization are reliant on the perceptions of an individual in relation to their attractiveness or desirability towards the current work environment, perceived ease of movement out of the central organization and the capability of controlling the availability and attracting alternatives deemed as external (Wilmers, 2018). Within this scope this study emphasizes on the perceptions of US retail sales workers of the desirability of their situations in terms of pay in relation to performance and how that is impacted by the intensity of

demographic similarity that a person shares with his coworkers.

## 2.1. Pay Dispersion

In accordance with the Horizontal Pay Dispersion and the Voluntary Turnover Motivation theories, there is the suggestion that higher rates of pay dispersion may improve the motivation of an employee hence leading to the reduction of dysfunctional turnover. This is effectuated through ensuring that linkages that exist between performance and the effort put in are tightened on one hand and the manner in which outcomes are generated and outcomes are perceived on the other hand. These beliefs are deemed as contingent of the beliefs of a worker that dispersion is spearheaded by reward practices such as payment for performance that are legitimate. It is also contingent of the belief that people have a clear lie of sight between effort and the final outcome hence making the final differentials to be very useful. In various organizations such as retail stores, these assumptions may not be applicable since many of them tend to lack standards of performing assessments that are observable, objective, and non-social and because there has been an overestimation of individuals capabilities (Trevor et al., 2012; Leonard et al., 2004; Wilmers, 2018).

Therefore, as much as an organization strives to exhibit fairness, paying of individuals differently for the same tasks performed has been seen to trigger the perception of inequality which is an action that is rather costly to organizations (Rani & Furrer, 2021). An example is the case of invidious social comparisons which have played a huge part in leading to the reduction of satisfaction rate, collaboration, and effort amongst workers as well as a raise in the level of worker deception and dishonesty (Palomino et al., 2022). Horizontal pay dispersion has been seen to have a positive correlation with voluntary turnover. In a study that was conducted on a multinational organization, there was the discovery that pay dispersion had a positive correlation with employee quitting rates (Wilmers, 2018). The studies further revealed that top management team members had the capability of voluntarily exiting organizations that they work for when pay dispersion is higher (Palomino et al., 2022). Furthermore, most attitudinal reactions towards horizontal pay dispersion such as a fall in job satisfaction and a fall in commitment towards the organization are brought about by voluntary turnover.

A recent study further demonstrates that employees tend to negatively react towards horizontal pay dispersion. The study discovered that employees tend to respond in a different manner when it comes to pay dispersion in accordance with the views of the factors leading to the dispersion (Rani & Furrer, 2021). An example is the case of

exhibiting reactions that are not intense when dispersion is classified as more legitimate. There was also the discovery that the performance of employees was considered to be very high in groups that attributed pay dispersion to political factors. There has also been an examination of the manner in which the status of a person in the distributions of income and performance impacts the perceptions and turnover of workers. Studies have revealed that both high performers and high earners are generally accommodative of higher pay dispersion levels whereas low performers and low earners react in a negative manner. These efforts are thus usually complimented to facilitate the identification of contingency factors that affect the responses of individuals towards horizontal pay dispersion. Worker's response to horizontal pay dispersion tends to vary in accordance with the demographic composition of the units of work (Richard & Kang, 2018). The degree of demographic similarity affects comparisons amongst employees at work and also how much information an employee may possess concerning the pay of their peers.

## 2.2. Pay Dispersion to Enhance Job Performance for Retail Sales Workers

Before the assessment of the relative value associated with awards, individuals ought to first identify referents to compare themselves with. Prior research conducted on pay dispersion indicates that individuals tend to establish a comparison with others on the dimensions majorly thought to have a direct impact on earnings (Lee et al., 2021). In an organizational scope, people always compare the rewards that they get to that of others working in same sectors or jobs and those that are similar to them (Deeb et al., 2020). The social comparison research however emphasizes that surrounding dimensions affected the choices of referents. Establishing a comparison between self and others in accordance with similarities in related attributes is considered to be very common since individuals tend to have more information and experiences that may be effective in shaping the pay expectations (Deeb et al., 2020). In the selection of referents, workers may view demographics such as race and gender as attributes that are salient related.

The Social categorization theory therefore provides an argument that individuals develop social identities through the use of salient social categories like demographic features and define other individuals as similar or highly differentiated from themselves (Rouen, 2020). Therefore, employees considered to be demographically similar are considered to be highly likely to consider themselves as members of one category. Membership groups are considered to be highly important to self-identity since it may make an individual to desire to assess his capabilities and rewards while comparing to those within the same group

(Jones, 2018). Therefore, the resulting in groups and out groups arising from social categorization processes are considered to be a major dimension of the manner in which people select others with whom they can compare themselves (Richard & Kang, 2018).

Arguments based in similarity-attraction further highlight that the compositions of groups have a huge impact in the generation of friendship ties within groups which end up shaping information being shared by various group members. Despite the fact that individuals are varied in their propensity of having relationships with members of various demographic groups. According to available evidence on relationships, these linkages are considered to be rare as compared to within group links. Data generated from the General Social Survey indicated that approximately 15 percent of individuals tend to discuss important matters with people of other races.

Furthermore, as much as people may at times intentionally seek out information so as to come up with comparisons, they at times come from the unbidden byproducts of relationships in society through the use of personal contacts (Feng, Patel, & Sivakumar, 2020). Since people are geared towards developing relationships and ties that are close and to communicate with people that are demographically similar, and since a lot of information flows through intimate person to person associations, social comparison processes are considered to be highly affected by demographic issues (Feng et al., 2020). Similarity attraction and social categorization arguments operate upon the emphasis that a major factor that drives the incidence of in group social comparison is the chances for contacts with other individuals that share a salient characteristic like race or gender.

### **2.3. Key Suggestion in the Previous Literature**

Numerous practitioners of work units that are demographically similar ought to put a lot of attention on pay differentials in variety of work units. Since workers are highly likely to be familiar with the payrates of their colleagues, transparency in relation to the criteria that has been used in the determination of pay is considered to be critical (Chan, Kawada, Shin, & Wang, 2020). In case of the occurrence of substantial disparities in pay, managers ought to assume that workers are fully aware of the preexistent differences hence ought to proactively ensure that the issue is addressed with the employees (Tenhiälä & Laamanen, 2018). If, however substantial disparities in pay develop in such groups managers operate on the assumption that workers are fully aware of preexistent differences hence should proactively address the matter with employees or bear the possibility of loss of workforce (Lui et al., 2019). Despite the fact that demographic heterogeneity tends to

provide variety of rewards for one job, it is evident that workers tend to face numerous challenges during the process of determining whether their pay is commensurate to that of work unit peers considered to be demographically dissimilar.

The potential challenges that workers face is the determination of whether payment is commensurate to that of work unit peers. Scholars have been able to pay close attention to the manner in which pay transparency has an impact on the outcomes of workers (Fernández, Valle, & Pérez-Bustamante, 2021). Since strong norms for pay transparency are non-existent in the United States, workers may not always be aware of pay differences in the work units that are demographically heterogeneous. Pay discrimination has thus been seen to appear in variety of contexts especially during the determination of pay dispersion by retailers when it comes to the process of increasing profits (Fernández et al., 2021). In accordance with available evidence pay discrimination charges are considered to be rare since workers ought to be provided with the necessary information required for the discernment of whether rewards are commensurate with those gotten by out group others. The absence of public policies geared towards promoting transparency of pay is effective in ensuring pay discrimination is uncovered (Fernández et al., 2021).

Since workers love comparing themselves with others they tend to respond strongly when it comes to within pay differentials. Within -group pay dispersion is considered to have a huge impact on the turnover decisions that will be generated from between-group dispersion (Bapuji, Patel, Ertug, & Allen, 2020). In the case of pay dispersion by retailers when it comes to the process of increasing profits, there is need to establish boundaries between within-group dispersion and between-group dispersion through ensuring that the overall pay dispersion is partitioned into measures that are within and between the variance. Since more black and colored individuals have been seen to work as retailers in retail stores, dispersion within gender and within race is considered to have a positive implication and a significant effect on the general performance of the employees hence profitability is gained. Therefore, in a situation of a group-pay differentials are considered to be more salient factors that affect the responses of employees to pay dispersion and therefore increases the confidence of the organization as it strives to achieve variety of results (Richard & Kang, 2018).

Since numerous surveys have indicated that people are highly likely to select either same sex or same race referents, it is necessary for retailers geared towards improving their profits to ensure that they put this factor into consideration, Men and women are highly likely to prefer working with people of the same gender as their pay referents. Furthermore, white individuals are considered to have a high

probability of selecting same race as their referents whereas blacks and other raced individuals are considered to be highly liable to select cross raced individuals as their referents. Specifically, whites, males, and females are more likely to identify same-category others as pay referents. Non-whites, meanwhile, are more likely to identify cross-race others as pay referents. In looking at the data and the establishment of a comparison to whites, females, and males, non-whites are much more likely to work in units that are composed of a relatively small proportion of same-race others (He, Li, Feng, Zhang, & Sturman, 2021). For example, the mean proportion of same-race peers in Black workers' work units in a field study is 32.18%, which is comparable to the mean proportion of same-race peers Black respondents reported for their work-units in our online survey (29.13%). The findings are significant only when demographic similarity is high but not when it is low (Lazear, 2018).

The pay performance seeks to evaluate the intensity to which rewards act as a reflection of the efforts that employees put in during work (Andrews & Htun, 2018). Rewards tend to reflect the employees' contributions towards a business. However, it is necessary to note that for employees to effectively perform there is need to ensure that they are given rewards that are appropriate and highly befitting to the roles that they have completed. These rewards will thus be considered to be justified, and highly suitable for the performance that employees exhibit. It is necessary to familiarize with the fact that during the consideration of pay dispersion for retail sales workers to improve profits, retailers should also bear in mind the rewards that employees are attracted to in terms of pay dispersion while also ensuring that they remain highly motivated towards the generation of profits and job retention (Andrews & Htun, 2018; Bearson, Kenney, & Zysman, 2021).

## 2.4. Research Gap and Hypotheses

Numerous previous studies that have been conducted find a positive and significant effect of the relationship between pay dispersion and demographic similarity on voluntary performance. A worker may thus leave an organization voluntarily when there is the presence of higher dispersion work units and more individuals in the unit are demographically similar to him or her (Feng et al., 2020). As much as horizontal pay dispersion has been seen to be explored in an extensive manner through the use of variety of methods such as cross-sectional field methods, it is yet to receive the well-deserved attention through the use of experimental designs. Most questions that are closely linked with pay dispersion research may be addressed through taking up individualized level experimental method since it

paves way for clean separation of policies of payment and individual impacts.

Based on numerous prior studies, the hypotheses connected with the research purpose are:

**H1:** A high degree of pay dispersion policy among retail sales workers negatively affects to job performance.

**H2:** A low degree of pay dispersion policy among retail sales workers positively affects to job performance.

## 3. Methodology

### 3.1. Survey Development

We used total 16 questions (Pay dispersion: 8 items and Job performance: 8 items) to collect real dataset from our respondents. Particularly, items of pay dispersion were created by current authors based on previous studies (Messersmith, Kim, & Patel, 2018; Shaw, 2015; Downes & Choi, 2014). Regarding the items of job performance, we also created through the previous studies (Aqqad, Obeidat, Tarhini, & Masa'deh, 2019; Ugurluoglu, Aldogan, Turgut, & Ozatkan, 2018). Table 1 indicates prior studies which were based on creation of survey items and all used resources showed a high level of content validity.

**Table 1:** Number of Sample

Key Construct	Number of Items	Resources
Pay Dispersion	8	Messersmith et al. (2018); Show (2015); Downes & Choi (2014)
Trust	8	Aqqad et al (2019); Turgut & Ozatkan (2018)
Total	16	5 resources

### 3.2. Data Collection Procedure

The current research obtained total 317 U.S retail sales employees as a usable sample between January 5, 2022, and February 4, 2022, distributing survey paper via a google online questionnaire system. As the below Table 2 shows, even though total 550 survey were distributed electronically, the final usable surveys that were returned figured out only 317 datasets. In the middle of data collection process, we discarded improper survey papers because total 82 participants did not respond more than 20 percent in the questionnaire. Table 2 shows the detailed information of data collection procedure and Table 3 presents about demographic Information of Final Data. All participants who are considered as a final sample have a similar educational level and total family income.

**Table 2:** Summary of Data Collection

	Total	Percentage (%)
Questionnaires Distributed	550	100
Uncollected Questionnaires	101	18.4
Collected Questionnaires	399	72.5
Discarded Questionnaires	82	14.9
Usable Questionnaires	317	57.6

**Table 3:** Demographic Information of Final Data

	Number of Response	Percentage (%)
Gender		
Male	294	53.5
Female	256	46.5
Job level		
Regular Worker	422	76.7
Managerial Job	128	23.3
Age Group		
20s	163	29.7
30s	176	32.0
40s	169	30.7
50s	42	7.6

## 4. Result

### 4.1. Internal Consistency

The presentation of the data test on the findings regarding the primary data gathered is found here, with the utilization of the 27th version of SPSS to assess the output together with AMOS version 24 to ascertain the correlation of the primary constructs. Representations of the computational findings in diagrams along with analysis are given as well.

The current author conducted both AMOS 27.0 and SPSS 24 program to gauge the statistical association between our main constructs (Pay dispersion and Job performance). As the first step for our statistical process, we measured the internal consistency of main factors. Prior study has already presented that Cronbach value is more than 0.6 will be acceptable number, indicating survey questions are grouped as one construct (Yudiawan, Sunarso, & Sari, 2021). As show by Table 4, regarding two key factors of the current research, the two Cronbach alpha values regarding all 8 items of ‘Pay dispersion’ and all 8 items of ‘Job performance’ were greater than 0.6 respectively. For this reason, we could conclude that our constructs are reliable and perform a representative role well.

**Table 4:** The Results of Cronbach’s Alpha Coefficient

Key Construct	Question Number	Cronbach Alpha Value
Pay Dispersion	8	0.796
Job Performance	8	0.818

### 4.2. Path Analysis

The equation (1) is our structural equation modeling structure for the direct effects between two key constructs. In the equation, the P indicates the gradient number which represents the relationship between main factors. That means that P value can be direct effect of ‘Pay dispersion’ on ‘Job performance’. As Letter Y indicated by the dependent factor, it may be retail sales worker’s job performance. Thus, the sum of X can be variables’ number for the independent construct. Lastly, epsilon (ε) presents the error, indicating β value implies the intercepting value. As shown by Table 5 and figure 2, both first and second hypothesis could be acceptable with favorable Beta and T values, resulting high degree of pay dispersion leads a low level of job performance, while a low degree of pay dispersion can motivate retail sales workers to improve their performance.

$$Y = \beta + P1X1 + P2X2 \dots + \epsilon. \quad (1)$$

**Table 5:** Statistical Results of Path Analysis

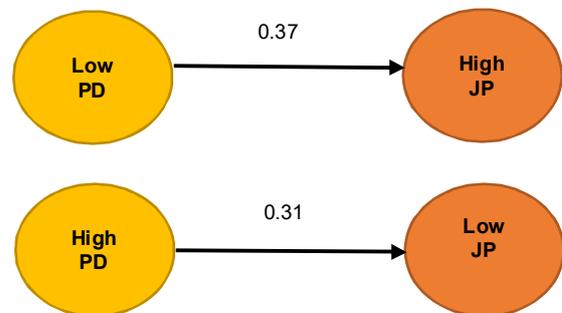
(Path Analysis)	β	T	Decision
H <sub>1</sub>	0.37	0.598***	Accept
H <sub>2</sub>	0.31	0.611***	Accept

\*\*\*p < 0.001.

**Table 6:** Statistical Results of Goodness of Fit

Goodness of Fit	Suggestion	The Current Value
RMR	C < 0.08	0.065
GFI	0 < C < 1	0.712
TLI	0.9 < C	0.942
CFI	0.9 < C	0.976
RMSEA	C < 0.08	0.059

The current authors also calculated the suitability of our structural equation model after checking the acceptable Beta and T values in the path analysis. As indicated in Table 6, CFI, RMR, GFI, RMSEA, and TLI values pointed out within a recommended range.



**Figure 2:** The Results of Path Coefficients

## 5. Discussion

Generally, a highly effective finding in accordance with researchers is that people are prone to making comparisons between their rewards and those of others. It is also evident that worker satisfaction is at times determined by the assumption of fairness that crops up from making these comparisons. The study clearly manifests these processes in the work environment. Since organizations are structured in a manner that various individuals get to become co located and work in jobs that call for social interaction and cooperation, many at times individuals choose their coworkers to be their referents hence making social comparison processes to operate in a stern manner within than across the organizational boundaries (Shankar, Kalyanam, Setia, Golmohammadi, Tirunillai, Douglass, & Waddoups, 2021).

There has also been the discovery that people enjoy to establish a comparison to others that bear related attributes such as race or gender. Despite the fact that organizations in the United States of America have increasingly diversified demographically over the last couple of years, pay dispersion research seeks to further explore the possibility that the manner in which people respond to issues of pay dispersion may be reliant on the manner in which they have demographic similarity with others at the place of work. The study therefore raises an argument that processes of social comparison work in a more vigorous manner when a person is a work unit that has more demographically similar one's example workers of a retail store (Cobb & Stevens, 2017).

This is thus a representation of the propensity of an employee to voluntarily resign from an organization when dispersion rates are higher. In the long run therefore, individuals will always compare themselves to same category others. Through the use of workers employed in the retail sector in the United States of America, there is numerous supports of the viewpoint that workers tend to respond in a manner that is highly unfavorable to pay dispersion rates that are higher when more people in the work unit are demographically significant. Individuals tend to select people that are exhibiting similar characteristics and this gives them a lot of awareness of the pa of other individuals in the work unit (Cobb & Stevens, 2017; McKay, Avery, & Morris, 2008).

### 5.1. Implications

Recently, scholars have been able to make a full exploration of the impact of pay dispersion on organizational, individual and group outcomes while ensuring to place a considerable amount of attention on the reconciliation of predictions to facilitate theoretical views. While also being highly familiar with key tension, research

in relation to job dispersal is considered to have broadly overlooked the manner in which comparison levels within groups may have an impact on the responses of employees towards pay dispersion (Feng et al., 2020). That is considered to be a very important omission since prior research has discovered that the choice of referents is considered to be highly contingent on the worker units composition hence a social comparison process may not uniformly operate especially in organizational boundaries (Chowdhury et al., 2020). Today, most research on job dispersion has been seen to operate on the assumption that two otherwise equivalent individuals that are working in groups with equal levels of pay dispersion have a high probability of responding to it in the usual way (Dahl et al., 2020). This study has been able to point out that the reactions of people towards pay dispersion is also reliant on the individuals that workers consider to be their referents hence a byproduct of work-unit demography.

In the identification and exploration of the manner in which demographic diversity, which is an increasing feature in retail organizations in the United States shapes the processes of payment and compensation, there is the extension of existing research through the examination of the manner in which workplace composition has an impact on employee responses towards pay dispersion (Kampkötter & Sliwka, 2018). Therefore, this study seeks to argue and provide evidences that employee reactions to pay dispersion are impacted by the demographic composition of individuals at the place of work. The results are majorly derived from the view that individuals always identify referents that are demographically similar (Kampkötter & Sliwka, 2018). The findings of this study thus suggests that for the successful assessment of the manner in which workers may react to higher pay dispersion rates there is need for researchers to pay a lot of attention on the referent selection processes that take place within work units. Although the familiarization with people with whom one can compare themselves with is considered to be challenging especially in the retail sector, it is evident that first had research provides some guidance concerning this in accordance with the similarity of various attributed such as gender and race are similar.

Furthermore, empirical evidence has been brought out to suggest that the manner in which a person reacts to pay dispersion tends to vary in accordance with demographic composition of organizational units (Rani & Furrer, 2021). The study has implications for research on the demography of the organization. In accordance with previous research, demographic homogeneity has been seen to be one of the factors that fosters cohesion while also ensuring to lower conflicts in work settings. In accordance with previous research conducted on this area, there has been the discovery of a fairly prevalent negative relationship between variety of similarities such as race and employee turnover (Damiani,

Pompei, & Ricci, 2020). This relationship seems to grow weaker when there is a greater variation in pay is greater hence suggesting that the reward homogeneity and other forms of homogeneity such as that of race are essential in the process of fostering group level cohesion. Research organizational demography may therefore gain from a deeper consideration of the manner in which economic rewards are distributed bolsters or hinders efforts geared towards maximizing the benefits linked with different demographic compositions.

## 5.2. Limitations

To be able to effectively generalize the findings there is need for some caution to be taken since data has been specifically linked to the retail industry. To be able to effectively look into pay dispersion there is need for the development of tradeoffs between generalizability and tradeoffs since the provision of analyses at work levels unusually call for data that is highly detailed through the use of an organization (Wilmers, 2018). The study of pay dispersion call for tradeoffs between generalizability and depth since the provision of analyses at the work unit sector usually calls for detailed data from inside an organization which is very hard to obtain especially from multiple sites. Being able to gain access to personal data of people such as salary, race and gender from a single organization is considered to be a major challenge today.

The fear of sanctions where analysis is done within object of retrieving previous patterns of discrimination has made, discriminatory patters that are highly unrecognizable may discourage organizations from sharing crucial information which external parties and also discourages organizations from the exploration of the issue in an internal manner (Rani & Furrer, 2021). As a result of these challenges, it is thus evident that most studies carried within an organizational scope depend on data that is retrieved from a setting where information on pay has been made publicly available. The study has also been seen to exhibit the fact that staffing practices ad pay in retail stores is different from that of large organizations hence increasing confidence that the results that have been provide here provide a generalized view of even large organizations in the United States (Dahl & Pierce, 2020).

It is thus very important that researcher extend analyses to variety of settings as a result of the incapability of determining whether the results differentiate in other organizations, have differentiated wage setting and performance analysis systems, have implicit or explicit security that has been put into place. These special features tend to incorporate boundary conditions that have huge impact on the results generated from the study.

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