

Pay more to sell more. The importance of employee compensation in low-skilled retailing jobs to achieve sales growth.

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## **Abstract**

Wage inequality is a major inhibitor to sustainable progress in many developing countries. Intermediate and low-skilled jobs in the retailing sector are an opportunity to make a societal impact, yet many employers are skeptical to enhance compensation. Surprisingly the literature on employee compensation in marketing is focused on either frontline employees or on strategic positions, leaving out low-skilled supportive activities. We address this gap by showing how the compensation of stock clerks can affect firm performance through better job performance. In doing so, our study seeks to justify better pay for these supportive job profiles. Our results demonstrate the positive effect of enhanced job conditions on sales and other job-performance indicators and offer limited support for enhanced job satisfaction. These findings should motivate employers to shift the focus towards the compensation of supportive jobs which enhance firm performance but might also reduce wage inequality.

**Keywords:** *Employee Compensation; Compensation Strategy; Sales*

**Track:** Marketing Strategy & Theory