

*Exploring the Factors of Employee Engagement: A study of  
Retail Sector in India*

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*Abstract: Employee Engagement is a vitally emerging concept in every hook and corner of the country. The performance of the organization depends upon the level of engagement of its employees. There are various factors, which directly as well as indirectly influence towards it. Indian retail sector is continuously growing at large extent due to which there is an emerging need to study the factors that affect employee engagement in this sector. This paper aims to contribute to the literature on employee engagement by evaluating three major factors such as team factor, organizational factor and job factor. The results indicated that these factors have direct influence on the engagement of employees within retail sector in India. Hence, to build higher level of employee engagement, there should be employee participation in decision making and should provide with job-recognition.*

*Keywords: Employee Engagement, Retail Sector, Job factor, Team factor, Organizational factor.*

## I. INTRODUCTION

Employee engagement is a level of involvement and commitment of employee for company and its values. An engaged employee is fully aware of his/her responsibilities in fulfilling the company's objectives, motivation towards success of organisation (Anitha, 2014). The positive relation of an employee for his/her work is determine by adoption of company's value systems. Engaged employees perform beyond their excellence levels to accomplish goals and objectives of the organisation. There is no specific definition available for the term "employee engagement", most often it is regarded as "emotional and intellectual commitment to the organisation" (Baumruk, 2004; Richman, 2006 and Shaw, 2005). There are many studies available on employee engagement but, there is need to explore this concept in the context of retail sector in India. There is an unexpected dearth of research on employee engagement in the retail industry in India.

Indian retail industry is one of the largest growing industries in the world with more than 10 percent contribution to country's GDP (Gross Domestic Product). Global Rank Development has given first rank to Indian retail industry due to its fast and furious growth of consumer spreading. Indian retail sector has occupied fifth place in the global retail space. Indian retail market is divided into two part: 'organised retail sector' and 'unorganised retail sector'. Organised retail sector is valued at US\$60 billion, which is nearly 9 percent of unorganised retail sector.

There are various factors to determine the level of employee engagement. The focus of this study is confined to three factors that are, job factor, team factor and organisation factor. Employees encounter with working conditions, co-workers, department, and management, which have direct influence on employees' adaptability and commitment towards organisation and their work. These are the prominent factors to measure employees' the level of engagement with the company and its value system.

**II. REVIEW OF LITERATURE**

Kahn (1990) has coined the term 'work engagement' for the first time to denote the situation when employees are more positive and passionate for their work, consider their work as worthwhile and feasible. Thus, it may describe a participation of employees in the various tasks of the organization.

Wah (1999) carried out a survey on 656 Chief Executive Officers (CEOs) from around the globe and elaborated employee engagement concept as one of the top five most prominent challenges for the management on world-wide level. The Merriam-Webster dictionary narrated it as the state of being attachment as "emotional involvement or commitment" and as "being in gear."

Harter et al. (2002) conducted a meta-analysis on different studies of Gallup organization and found that companies who encourages favorable employee engagement factors, face less employee turnover problems, increased customer satisfaction and employee efficiency and increment in the overall profits of the company. So, optimistic outcomes in the business are moreover depends upon the positive employee engagement.

Perrin, (2007) has defined the concept of employee engagement as "employees' willingness and ability to help their company succeed, largely by providing discretionary effort on a sustainable basis." Thus, it is influenced by variety of factors such as organizational factors, job factors and team factors.

May, et al. (2004) carried on a study on 203 employees and found that employee engagement may be treated as a three-dimensional concept which includes the three components as physical components, emotional components and cognitive components. These factors are the prime drivers of employee's engagement with their work as well as organization. Their physical and psychological involvement in the work leads to strong work engagement.

Wellins and Concelman (2005) have described the word employee engagement as "an amalgamation of commitment, loyalty, productivity and ownership." It may tie a knot between the employees and the organization.

Marcy and Schneider, (2006) 'Engagement' word has been referred to the psychological condition which comprises of attachment, connection and communication, state of mind and effort put by the employees into their work

Gonzalez-Roma, et al. (2006) have defined employee engagement as an expedient situation which includes dedication, zeal, participation and devotion towards the organization and its objectives. Thus, it refers to the fully involvement of the employees with their work, organization and towards its goal.

Shuck, (2011) carried out an empirical survey among 283 working professionals under different industries, treated as the first experimental study conducted to measure the relationship between employee engagement and intention to turnover. Further, it explored that when employees are committed to their work, perceive meaningful to work and affectively committed to their work, the intention to turnover decreases dramatically.

Kompaso and Sridevi (2010) explained employee engagement as a huge construct which adjoins every segment of human resource management. The employee engagement concept is rooted from most prominent aspects of human resource management i.e. job satisfaction, employee commitment and Organizational citizenship behaviour. Comparing these three aspects with employee engagement clearly unveil that it is the foremost construct responsible for organizational performance. Moreover, engaged employees are psychologically connected with their job and organization with full zeal and commitment afar from employment contract.

In 2017 the Gallup study explored that whose productivity is higher by 17 percent, increased sales by 20 percent and getting 21 percent more profits are the ones where the level of employee engagement is greater than others.

According to the survey report of State of American Work Place (2017) showed 70 percent of the employees on global basis are engaged in their work, whereas, 51 percent of employees are disengaged and are checking out for new job opportunities.

### III. NEED OF THE STUDY

Many studies have discovered the favourable link between employee engagement and employee retention, satisfaction, profitability, efficiency and effectiveness of organisations. Although, researchers have found that employee engagement lead to higher customer satisfaction (Coffman, 2000; Towers Perrin Report, 2003; Coffman and Gonzalez-Molina, 2002). As per the report of Penna Research (2000) it is valuable to bridge the gap between employers and employees for benefiting both. Engaged employees feel the sense of responsibility and loyalty towards employers which guides to higher productivity and profitability. As employee engagement is related to the organisational consequences, thus, it becomes more important to study those factors which are responsible for employee engagement in retail sector.

### IV. OBJECTIVES OF THE STUDY

On the basis of the review of literature and need for conducting the study on employee engagement following objectives are laid down:

1. To study the need of employee engagement in retail sector.
2. To identify the factors influencing employee engagement in retail sector.

### V. RESEARCH METHODOLOGY

Both primary and secondary data were collected for satisfying the objectives of the study. The revived articles, journals, reports, studies were used as secondary sources of data. The primary data were collected via online as well as manual survey by using a well-structured questionnaire. The questionnaire was divided into two categories, first part consisted the statements regarding employee engagement and second part contained the queries related to the demographic profiles of the respondents. A five-point Likert scale ranging from '5' strongly agree to '1' strongly disagree was used to collect the responses from retail sector employees.

#### 1.1 Scope of the Study:

The scope of this study is limited to the retail sector of Chandigarh. Retail employees working in top five most popular retail outlets in Chandigarh were selected. Big-Bazaar, Reliance Trends, Shoppers' Stop, Pantaloons and V-Mart were sort out as the sample for this study. The questionnaires were distributed among 300 employees working in these retail outlets in Chandigarh through online and manual methods. But only 265 duly filled questionnaires were received. The reliability of the data was measured through Cronbach alpha. Graphs, bar charts, frequencies were used to find out the factors responsible towards employee engagement in retail sector.

### VI. DATA INTERPRETATIONS AND ANALYSIS

Table 1 shows the demographic characteristics of respondents. 80 percent of the respondents were female and 20 percent were male. Majority of respondents represented the age group of 20-30 years (58.3%).

Table I. Demographic Characteristics of the Respondents.

Variables	No. of Respondents
<b>Gender</b>	
Male	20%
Female	80%
<b>Age</b>	
20-30 years	58.3%
31-40 years	25%
41-50 years	16.7%
Above 50 years	0%
<b>Marital Status</b>	
Single	75%
Married	20%

Divorced	5%
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25 percent of respondents belonged to the age group of 31-40 years. In the respect of marital status 75 percent of respondents were single while 20 percent were married.

6.1 Reliability Analysis:

The reliability of the instrument was measured through Cronbach’s Alpha techniques. The alpha coefficient of all the variables were above 0.65, which represent that data was statistically reliable (DeVellis, 2016).

6.2 Results:

Three factors have been evaluated in this study i.e. job factor, team factor and organization factor. Below Table 2 shows the various variables considered under these three factors to measure the employee engagement in retail sector.

Table II. Factors used to Measure Employee Engagement in Retail Sector.

Factor	Variables
<b>Job Factor</b>	• Availability of Resources for doing job
	• Training Facilities
	• Employee Benefits
	• Recognition for the job
<b>Team Factor</b>	• Contribution
	• Professional Co-workers
	• Communication between Co-workers
	• Trust on Colleagues
<b>Organisation Factor</b>	• Participation in decisions
	• Meeting company goals & objectives
	• Making organisational goals to personal goals
	• Stress release programmes

A) Job Factor

Four variables were used to determine the job factor. Fig.1 shows the degree of agreement of respondents towards availability of Resources for doing job, Training Facilities, Employee Benefits and Recognition for the job.

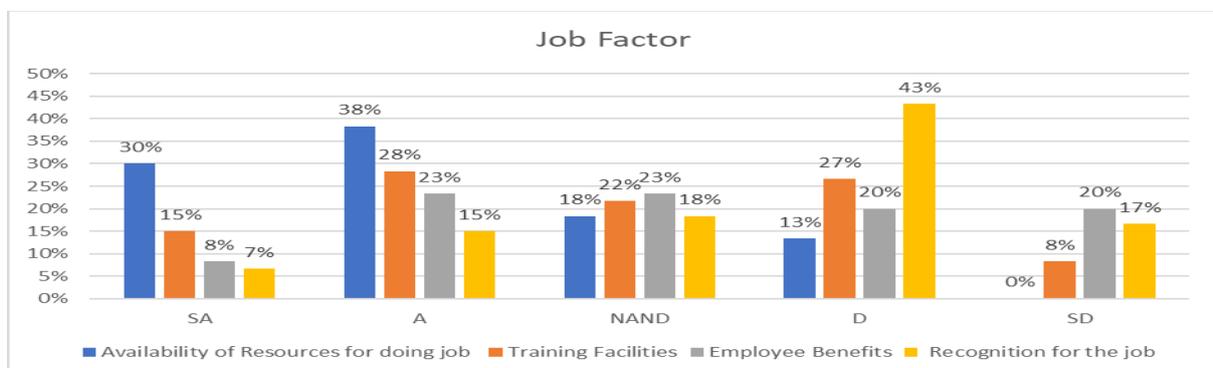


Fig. 1 Measurement of Job Factor

As figure 1 states that 38 percent of employees are agreed that they are provided with adequate resources for performing their job, whereas, 30 percent are strongly agreed on this aspect. The availability of training facility is agreed by 28 percent of employees, 27 percent disagreed and 22 percent neither agreed nor disagreed about it. In regard to employee benefits provided by the company only 8 percent found to be strongly agreed where, 23 percent were agreed and 20 percent disagreed and strongly disagreed each. Majority of employees, that is, nearly 43 percent believed that they don’t get adequate recognition for

their job. While 7 percent strongly agreed that they get recognition. 17 percent were found to be strongly disagreed in respect of recognition for their job.

## B) Team Factor

Contribution of employee towards the job, Professional Co-workers, Communication between Co-workers and Trust on Colleagues were considered to measure the team factor among employees in retail sector. Fig. 2 shows the level of agreement among employees in the respect of team factors.

As figure 2 states that Majority of employees agreed that their efforts are positively considered by the company, where, 23 percent found strongly agreed on this statement. Only, 18 percent employees disagreed and 7 percent strongly disagreed about the recognition of their contribution in the company. Majority of employees admitted that their co-workers are professional (23 percent agreed and 53 percent strongly agreed). Whereas, only 2 percent of employees thought that their co-workers are not professionals.

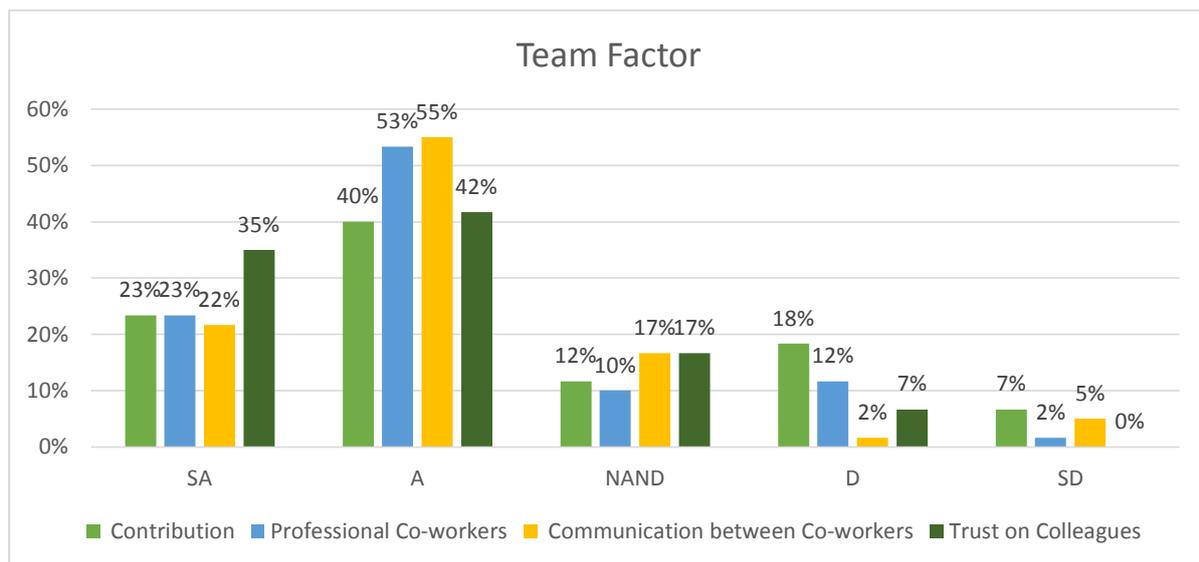


Fig. 2 Measurement of Team Factors

Although 55 percent of employees acknowledged that there is smooth communication between co-workers and 22 percent were strongly agreed on this aspect. 17 percent of employees neither agreed nor disagreed in the respect of adequate communication among co-workers and 5 percent admitted strongly disagreed. Employees had revealed that they trust their colleagues with 35 percent strongly agreement and 42 percent agreement. Only 7 percent employees disclosed that they don't trust their colleagues.

## C) Organization Factor

Organization factor comprised of participation of employees in decision making, meeting the goals and objectives of the company, putting organizational goal into personal goal and providing stress release Programmes to employees. Fig. 3 shows the agreement levels of respondents towards the organization factor.

Figure 3 reveals that employees have negligible participation in the decision-making process, because majority of employees accepted it (48 percent). 20 percent of employees strongly disagreed on the statement regarding participation in decision making. Whereas, only 3 percent of employees strongly agreed that they participate in the decision-making. Minority of employees (7 percent) strongly agreed and 32 percent agreed that they know how to achieve the company goals and objectives. Whereas, 25 percent have no idea and knowledge about the goals of company. 10 percent of employees strongly disagreed regarding the fulfilment of company's objectives. Majority of employees disclosed that they have transformed their organizational goals to their personal goal but, 32 percent of employees opposed this statement, as they are fulfilling their

personal goals on priority basis. 53 percent and 13 percent of employees strongly admitted that they are provided stress release Programmes by the company. Where 15 percent neither agreed nor agreed regarding stress release Programmes.

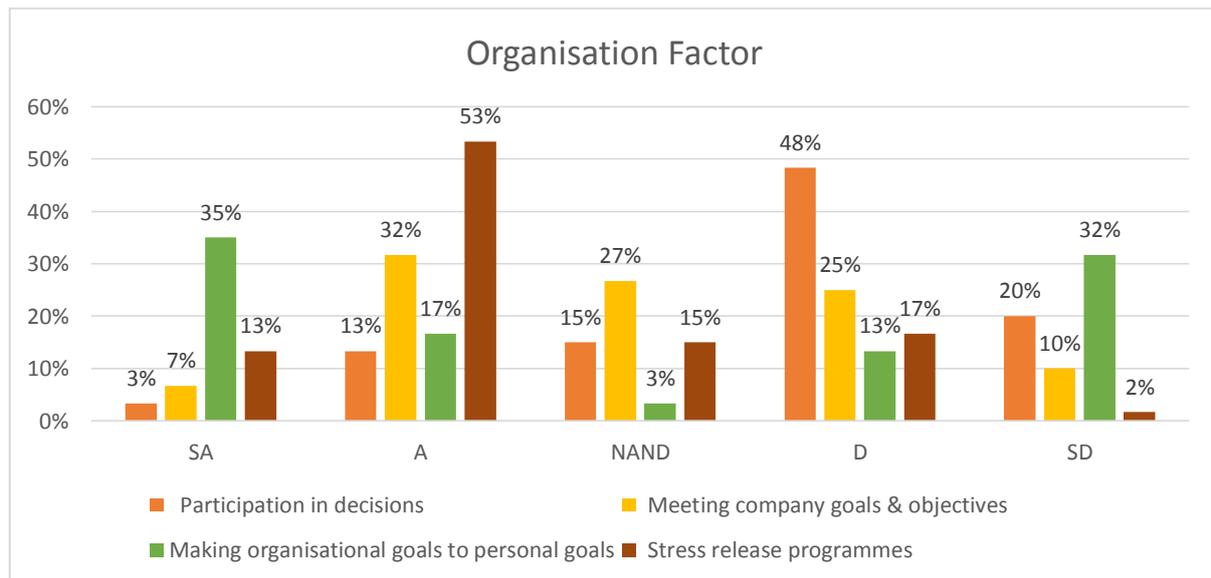


Fig. 3 Measurement of Organizational Factor

## VII. CONCLUSION

The above study emphasizes the significance of employee engagement and also identifies various factors that influence the employee engagement in retail sector in Chandigarh. It also shows that job factor, team factor and organization factor determine the engagement of employees in the company. This paper also mentions the previous studies and recommends factors that develop working conditions, team work, relationships between co-workers, and accomplishment of company's goals. The key contribution of this study is flourishing the significance of employee engagement in retail sector. To build employee engagement, employees should be recognized for their jobs and efforts made toward accomplishing company's goals. There must be employee participation in decision making as they are the implementors of decisions taken by top level of management. Companies need to make efforts for motivating employees towards companies' goals and objectives.

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