

To study the impact of employee engagement on employee productivity and motivational level of employee in retail sector

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Abstract: *With organization going global and tapping new markets, it has become essential to give the organization its competitive edge by nurturing and retaining the top talent that is human resources. Retaining the highly skilled workforce has become a key concern for many organizations in good as well as bad times provided the importance of these human resources to company's success and survival. Thus employee engagement determines the association of person with the organization.*

This exploratory research, study impact of employee engagement on employee productivity and motivational level of employee in Retail sector. This sector providing more opportunities for job enhancement but retaining employee are one of the most challenging issues for the retail industry, because of high turnover and low performance. Understanding what drives employee engagement illuminates the path leaders can take to enhance employee retention in their organizations. The findings and recommendations of this study are for retail sector in general. It would help them to perform better and ready to take more responsibility, energetic and inspiring.

I. Introduction

Employee engagement shows the degree of how much an employee is involved, empowered, motivated and committed towards his job and organization. An engaged employee is aware of the business context, and works as a team member to improve performance of the job for the benefit of the organization. Engaged employees are concerned about the future of the organization and are willing to invest discretionary efforts for the organization.

Thus employee engagement determines the association of person with the organization.

Engagement – the extent to which people value, enjoy and believe in what they do. to compete today, companies need to win over the minds and hearts of the employee in a way that leads to extra ordinary effort.

Employee engagement is the willingness of employee to “go the extra mile” to achieve the organizational vision. According to IES (institute of employment studies) “employee engagement is a positive attitude held by the employee towards the organization and its values”.



Impacts of employee engagement

- Employee engagement has a direct impact on employee productivity. Engaged employee perform better and beneficial for the organization.

- Employee engagement has impact on motivational level of employee. Engaged employee ready to take more responsibility, energetic and inspiring.

II. Literature review

Evolution of Employee Engagement

Kahn (1990) study illustrates the nature of personal engagement & disengagement & the 3 psychological conditions (meaningfulness, safety, availability) found to influence those behaviors.

Rothbard (2001) examines both the depleting and enriching processes that link engagement in one role to engagement in another.

Schaufeli, Salanova, Gonzalez-Roma & Bakker (2002) measuring the internal consistencies of the 3 scales and the factorial validity using confirmatory factor analysis. Examining the relationship between burnout and engagement.

Harter, Schmidt & Hayes (2002) examining the relationship at the business unit level between employee satisfaction-engagement and the business-unit outcomes of customer satisfaction, productivity, profit, employee turnover and accidents.

Sonnentag (2003) study examines work related outcomes of recovery during leisure time; it investigates the impact of recovery periods on subsequent work engagement & proactive behavior at work.

Harter, Gilson (2004) examines the role of 3 psychological conditions (meaningfulness, availability & safety) in employees work engagement.

Mauno, Kinnunen, Rokolainen (2007) focuses on 3 types of job demands at work, work-to-family conflict and job insecurity.

Evolution of Retail sector in India

The origins of retailing in India can be traced back to the emergence of Kirana stores and mom and pop stores. These stores used to cater to the local people. Eventually the government supported the rural retail and many indigenous franchise stores came up with the help of Khadi and village industries commission. The economy began to open up in the 1980s resulting in the change of retailing. The first few companies to come up with retail chains were in textile sector, for example, Bombay dyeing, S Kumar's, Raymond's etc. later titan launched retail showrooms in the organized retail sector. With the passage of time new entrants moved on from manufacturing to pure retailing. Retail outlets such as food world in FMCG, planet M and music world in music, crossword in books entered the market before 1995. Shopping malls emerged in the urban areas giving a world class experience to the customers. Eventually hypermarkets and supermarkets emerged. The evolution of the sector includes the continuous improvement in the supply chain management, distribution channels, technology, back-end operations, etc. this would finally lead to more of consolidation, mergers and acquisitions and huge investments. India's retail market is expected to grow tremendously in next few years. India shows US\$330 billion retail market that is expected to grow 10% a year, with modern retailing just beginning. Retailing is one of the biggest sectors and it is witnessing revolution in India. The new entrant in retailing in India signifies the beginning of retail revolution. According to AT Kearney, the windows of opportunity shows that retailing in India was at opening stage in 1995 and now it is in peaking stage in 2006.

Scope of the study

This sector providing more opportunities for job enhancement but retaining employee are one of the most challenging issues for the retail industry, because of high turnover and low performance. Understanding what drives employee engagement illuminates the path leaders can take to enhance employee retention, performance and motivation in their organizations.

Employee engagement in retail sector

Goudraghavendra v., goudmadhusudhan, kumargiridhar 2014, studied employee engagement practices in retail sector in Kurnool states that gender and team work has no significance influence on employee engagement.

Dr. sushamapatil and raneyvaneeta study on employee engagement practices of big bazaar and conclude that disengaged employees are liability on organizations.

Dr. lahotijyoti 2014 studied HR practices in retail sector and finds to retain and motivate employee and engage them HR practices still developing.

Dr. manchala g. and kandulapatisuresh 2011, conducted study on retail sector in Hyderabad to measure level of employee engagement in retail sector and influence of job satisfaction, managing stress, relationship with coworker, distribution of work and work life balance on employee engagement. He finds positive influence of job satisfaction on employee engagement.

Dr. pakkeerappa and kodikal (2012) conducted survey on retail sector to find retention strategies and manage turnover among employees of retail sector and found “employee engagement” is one of the tool they used to retain employees and manage turnover.

III. Research methodology

This is exploratory research shows comparative study of employee engagement across retail sector and how it affects employee productivity and motivation level. We choose retail sector for this purpose because recently lot of focus on employee engagement like how to measure employee engagement, how to increase it and find out the factors affecting it, is study by the organizations in service sector.

Independent Variable:

Employee engagement : High and Low

Dependent Variable:

Employee productivity : Good and bad

Motivational level : High and low

Objectives of Study:

1. To measure employee engagement in retail sector.

The competition in retail sector growing day by day with this challenges to keep employees in organization is more difficult than ever.

2. To identify impact of employee engagement on employee productivity and motivational level in retail sector.

Engaged employee leads to employee productivity and enhance motivational level

Data collection

Self-design questionnaire are prepared which contain questions related to motivation and pride and performance and commitment. Primary data is collected from the managerial level employees of 5 different retail store like being human and best price.

Data analysis

50 questionnaires are distributed in 5 different retail stores of which 380 are returned with response. Among the participants 33% are females and 66% male from whom data is collected. 66% respondent are under 30 years old. While 34% are between 30-35 years old. 60% of them are married, 25% are unmarried and remaining are single.

The factors used in questionnaire are discussed below.

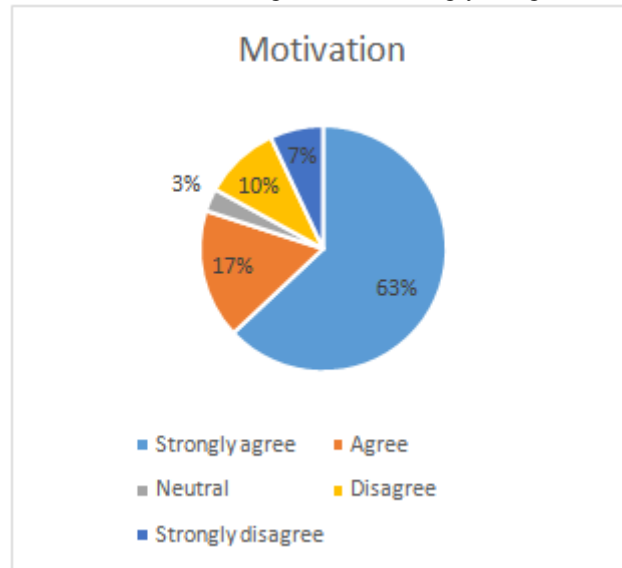
1. Motivation - Enthusiasm and willingness to work shows degree of motivation.
2. Performance and commitment – Efforts of employee which leads to achieving results is called performance.

IV. Results and findings

1. Motivation

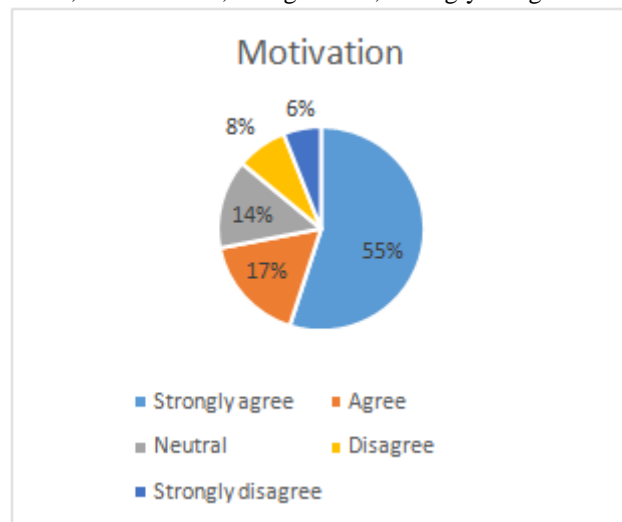
I am rewarded (monetarily and non-monetarily) for my good performance every year or two.

Strongly agree-63%, Agree-17%, Neutral-3%, Disagree-10%, Strongly disagree-7%



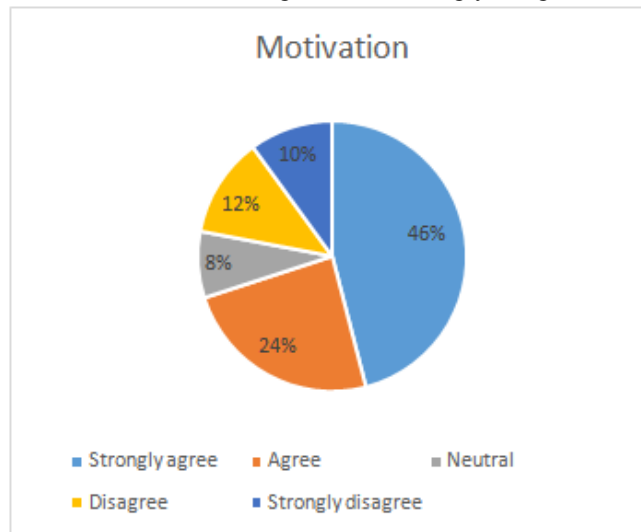
My efforts and contributions are valued by my employer.

Strongly agree-55%, Agree-17%, Neutral-14%, Disagree-8%, Strongly disagree-6%



My pay/salary commensurate with my work

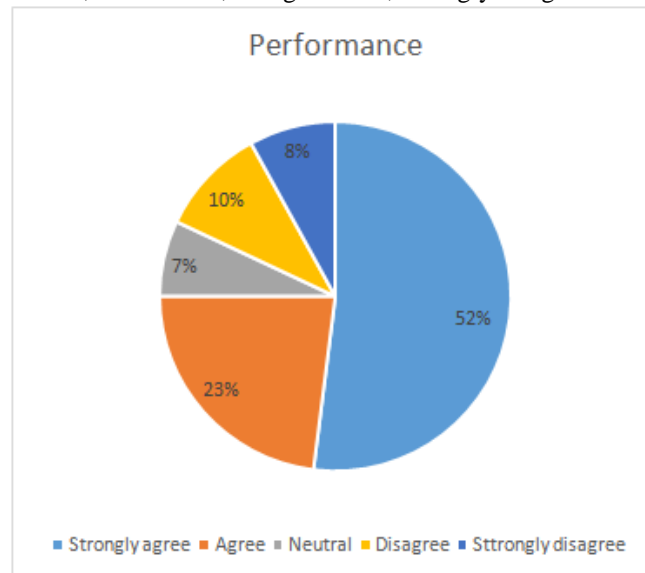
Strongly agree-46%, Agree-24%, Neutral-8%, Disagree-12%, Strongly disagree-10%



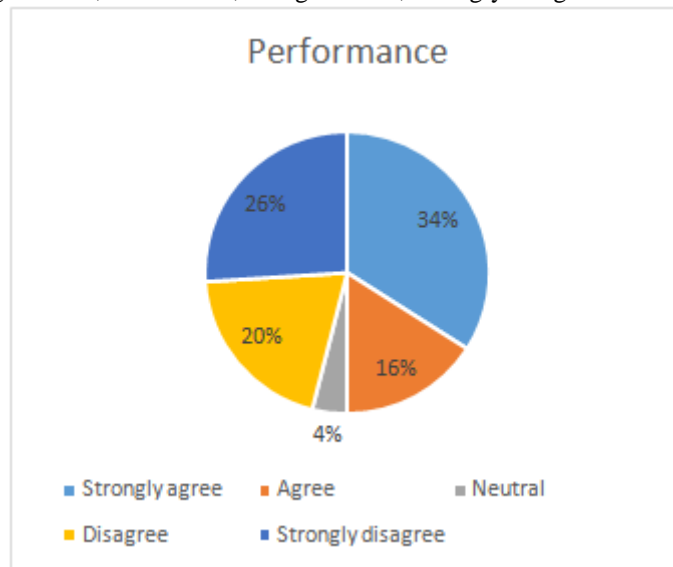
2. Performance and commitment

My organization's culture encourages employees to come up with new ideas and suggestions, if any

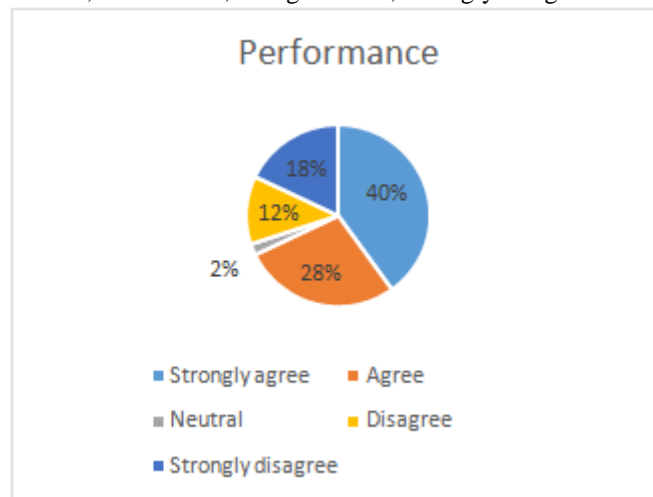
Strongly agree-52%, Agree-23%, Neutral-7%, Disagree-10%, Strongly disagree-8%



My organization culture also emphasizes on the importance of work-life balance.
 Strongly agree-34%, Agree-16%, Neutral-4%, Disagree-20%, Strongly disagree-26%



Open sessions are frequently held by my management team to discuss and sort out employees problems
 Strongly agree-40%, Agree-28%, Neutral-2%, Disagree-12%, Strongly disagree-18%



V. Conclusions

Result shows that mentioned employee engagement drivers affect the motivation and performance of employees sector. There are several factors which influence the employee performance and motivation in the organization but this research consider the employee engagement only. Employee engagement play an important role in achiving organizationl objective, building effective teams, healthy interpersonal relationships among coworkers and managers and good working environment in the organization which enhance employee motivation and leads to better organizational performance.

VI. Recommendations

This research consider only limited variables which affect the employee performance and motivation, future research could add some other variables that affect employee performance and motivation like organization climate and leadership in the organization. To get more accurate results more questions and more respondents should be included. Future research should enlarge diversity of data by adding respondents from other sectors also which will make significant contribution to the results.

Limitations of the Study

The current study has some limitations. The outcome of the study is not precisely accurate as the sample size is too small. Retail sector is further divided into organized and unorganized retail, organized retail again divided into physical and online retail. This study covers only organized retail sector. Limited time span is also another limitation of this study.

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