A Comparative Study of the Employee Engagement Practices in Retail

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ABSTRACT
Human beings is the most important and valuable resource for every organization or institutions has in the form of its employees. Effective employees can contribute to the effectiveness of the organization competent and motivated people can make things happen and enable an organization to achieve its goals. The organization should continuously ensure that the dynamism, competency, motivation and effectiveness of the employees remain at high level. Human resource development is a continuous process to ensure the development of employee’s competencies, dynamism, motivation and effectiveness in a system and planned way. The current study analyses in detail the employee engagement practices adopted in retail and makes a comparison between the activities and the perception of their respective employees.

Keywords: Retail, employee engagement, work culture, productivity

I. INTRODUCTION
Employee Engagement is the means or strategy by which an organization seeks to build a partnership between the organization and its employees, such that: Employees fully understands and is committed to achieve the organization’s objectives, and the organization respects the personal aspirations and ambitions of its employees.

Employee engagement is thus the level of commitment and involvement an employee has towards their organization and its values. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee. Thus Employee engagement is a barometer that determines the association of a person with the organization.

There will always be people who never give their best efforts no matter how hard HR and managers try to engage them. “But for the most part employees want to commit to companies because doing so satisfies a powerful and a basic need in connect with and contribute to something significant”.

II. ABOUT THE ORGANIZATION
For the purpose of anonymity Company A and B would be used instead of the names of the organization. The conglomerate is one of India’s leading business houses with multiple businesses spanning across the consumption space. While retail forms the core business activity of the Group, group subsidiaries are present in consumer finance, capital, insurance, leisure and entertainment, brand development, retail real estate development, retail media and logistics.

Led by its flagship enterprise, Company B Retail, the group operates over 16 million square feet of retail space in 73 cities and towns and 65 rural locations across India. Headquartered in Mumbai (Bombay), Company B Retail employs around 30,000 people and is listed on the Indian stock exchanges. The company follows a multi-format retail strategy that captures almost the entire consumption basket of Indian customers. In the lifestyle segment, the group operates Company B’s, a fashion retail chain and Central, a chain of seamless malls. In the value segment, its marquee brand, Company A is a hypermarket format that combines the look, touch and feel of Indian Bazaars with the choice and convenience of modern retail.

III. OBJECTIVES AND RESEARCH METHODOLOGY
The objectives of the study are as follows

- To analyse the practices followed in retail for engaging employees.
To examine the importance given by employees to their work & the level of their satisfaction.
To find out whether the changes in methodology in retail have been properly matched by training & development of its manpower.
To study the effectiveness of free flow of information between the management and the employees.
To examine the effects of work culture/environment and ethos in retail on employees.
To understand the drivers of employee engagement in retail.

The samples were selected from employees of Company A and Company B under Band 1 and Band 2.
Band 1 staff includes team members and team leaders whereas Band 2 staff includes ADM, DM, executives, and Sr. executives. The sampling type was convenience sampling. The sample was collected from the four stores of Future group in order to do the comparative study on employee engagement practices in COMPANY A & COMPANY B. Two stores of Company A were selected i.e., BB-Sealdah and BB-Salt lake which comes under COMPANY A. Likewise, two stores of Company B were selected i.e., kakurgachi and City Centre 2 which comes under COMPANY B.

The sample size was 120 employees of COMPANY A and COMPANY B in the ratio of 2:1 of Band 1 and Band 2 staff respectively.

The primary source of data collection was the employees and HR professionals from zonal office and store people officers in the form of structured management questionnaire. The questionnaire prepared in order to collect data from the employees were based on two criteria i.e., objective and subjective type. The objective questions were prepared in reference to the Gallup12 question employee engagement to measure the employees’ engagement in the stores on a five-point scale Likert scale. Whereas subjective type of questions were prepared to improve the employees engagement at the store by taking feedback on the present employee engagement activities for the employees. The data was collected by randomly selecting the employees who have willingness, time and knowledge to answer the question. Face to face method to interview the employees was selected in order to get better response and reduce the response biasness.

The secondary data was collected from the annual report of last 4 years, magazines, journals, and internet and the company’s intranet.

IV. LITERATURE REVIEW

Engagement at work was conceptualized by Kahn (1990) as the harnessing of organizational members’ selves to their work roles. When engaged, employees employ and express themselves physically, cognitively, and emotionally during role performances (Kahn, 1990). Employees experience dimensions of personal engagement during daily task performances. Engagement occurs when one is cognitively vigilant and or emotionally connected to others. For example, employees who know what is expected of them, who form strong relationships with coworkers and managers, or who in other ways experience meaning in their work, are engaged. Alternatively, disengagement is the decoupling of the self from the work role and involves employees withdrawing and defending themselves during work performance (Kahn, 1990).

Importance of Engagement

Using the organization’s intellectual capital has become an important source of competitive advantage (Arthur, 1994; Becker & Huselid, 2000; Buckingham & Vosburgh, 2001; Guthrie, 2001; Pfeffer, 1992). One way organizations can successfully navigate these challenges and capitalize on their intellectual capital is to foster employee engagement. Employee engagement is what happens when employees bring their discretionary effort to work (in the form of brainpower and energy); they connect with their work by involving and expressing themselves cognitively, emotionally, and physically. Each employee has direct and unilateral control over the amount of discretionary effort he or she chose to make available to the organization (Catlett & Hadden, 2001).

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission. Engaged employees are energized by the work itself and feel passionate about their work. With passion comes excitement, enthusiasm, and productivity (Kroth & Boverie, 2003). Far from having to drag themselves to work, they may take the work home either physically or cognitively. Engaged employees are committed, motivated, energetic, enthusiastic, and enjoy problem solving. Some may thrive on the challenge of a frantic work environment (Katzenbach, 2000). Engaged employees are absorbed in their work, put their heart into their jobs, are excited by doing a good job, exert energy in their work, and take pride in completing their work. Engaged employees also take informed risks, are resilient, change direction quickly, and respond positively to challenges. These employees’ emotional commitment enables them to make or deliver products or services that constitute a sustainable competitive advantage for their employer (Katzenbach, 2000). Southwest Airlines, 3M, The Home Depot, Toyota, and Hewlett Packard credit their sustainable competitive advantage to their ability to foster employee engagement.

This in turn, creates a higher performing workforce (Katzenbach, 2000). Engaged employees promote the organization’s success, but when employees are disengaged, the organization suffers. People factors are a source of competitive advantage or disadvantage (Catlett & Hadden, 2001). Tom Peters stated, “Indeed, the chief reason for our failure in world-class competition is
It is in consonance with performance, and these activities, it follows a systematic sustainable and engages its employees in various activities. To undertake inculating a vibrant culture that looks beyond work and the organization in discussion truly believes in employee. The reviewer rating is final rating. After the rate the employees and then the reviewer rate the same Officer and on the basis of this interaction the appraise their department managers along with the Store People. The employees interact with the immediate family in the various forms.

Engagement Activities where we touch the employees and creates and sustains this through our Employee empowerment and pride of the workforce. In order to foster a customer-centric and performance-driven culture in the organization, the pillars of organizational culture were defined under the acronym LSD — Lakshmi, Saraswati and Durga which initiates for money & material, learning & development and empowerment, security, emotional and trust respectively. Thus these activities initiate speed, self-confidence with consciousness and passion for achievement.

A robust performance management scheme, a reward and recognition policy, and a career progression policy exist in the organization, besides a number of engagement activities.

Performance management system: It ensures the top down cascade of business goals. The key responsibility area of employee are aligned to key business levers, namely revenue, profit maximization / cost optimization, cash flow, customer satisfaction and employee engagement, aligning the entire organization towards the vision, mission and business plans of the organization. It is through annual performance appraisal of the employees.

The employees interact with the immediate managers i.e. team members or team leaders interact with their department managers along with the Store People Officer and the on the basis of this interaction the appraise rate the employees and then the reviewer rate the same employee. The reviewer rating is final rating. After the appraisal the employees are promoted, salary increment or is given training as per the requirement.

Reward and recognition (R&R) policy: It aims to create a framework for recognizing and rewarding the contributions of individuals and teams, and institutionalizes a culture of openness, transparency and meritocracy. The reward and recognitions include Employee of the month, weekly and quarterly incentives.

Employee of the month is judged on the parameters like attendance, target achievement, initiative, stock follow up, SOP, customer service. Nomination is taken from department managers and interaction is done with the employee by assistant store manager and store manager and after that EOM is decided on the above parameters. EOM is awarded with trophy, certificate and gift voucher of Rs 1000/-.

Weekly and quarterly incentive is a performance enhancement Reward Kit – a special incentive scheme for the store employees. Two types of perk are there – weekly and quarterly. There are three slabs in weekly perk based on store weekly ABP achievement:
1) 91 to 99%
2) 100 to 109%
3) 110% and more.

Career growth: It is in consonance with performance, merit and potential of an employee, while considering organizational needs. The opportunities include PRISM, SHIKSHA, SEEKHO and Job Rotation Policy and Internal Job Postings and training.

SHIKSHA Course content is prepared by experts from Future Group, Retail Industry and Academics from various institutes & IGNOU. There is a direct admission without any entrance test or personal interview for Future Group employees. Contact classes on convenient weekdays at flexible timings. In-store contact sessions in a location near to candidates convinence. Unique blend of Practical learning sessions(Karmrekha) & Life skill learning sessions(Jeevanrekha).

PRISM Program is open to all employees of the Future Group irrespective of the business or function they are associated with provided they aspire to grow into Karta roles and meet the basic eligibility criteria.

SEEKHO program is to develop internal talent by allowing the employees to go on a sabbatical to attend a full time Educational Program. To enable employees to enhance their skill sets by taking up educational courses thus enhancing their productivity and adding to organizational value. It aims at self-development of employees.

Communication: In order to follow the open door policy and favor upward and downward communication the company has Prerana Suggestion Boxes which is provided by the Zone to each store to be put up in the staff room. Prerana is an employee suggestion programme where employees can put forth their suggestions for improving the business. The primary purpose of Prerana is for
employees to come up with suggestions for improvement of the business and not as a Complaint Box or to forward any personal issue. Complaints, personal issues are better dealt with through personal communication with HR, Store Managers, and seniors. The Prerana programme will not be able to help in these issues. At the end of the month all the suggestions made by employees to be analyzed and classified on the basis of functions pertaining to the suggestions by the Store HR. The classified sheets to be forwarded to the respective functional heads at the Store.

**Happiness index:** According to this there are four committees and the employees are the members of these committee according to their area of interest and potential. The committees are as follows:

a. Sports and cultural committee  
b. Performance celebration committee  
c. Social responsibility committee  
d. Family events committee  

The committees organize the programs or activities according to the happiness calendar which is circulated in the stores to the SPO’S and they in turn initiate the members to conduct it accordingly.

There is also a happiness handbook which mentions the list of activities to be conducted from time to time.

The company has always believed that its biggest asset has been the 33,500 people employed in its retail business who come from a large cross-section of social and economic backgrounds. To help each of them achieve their true potential, the company adopted a fresh approach by recasting the human resources function into the People Office. The themes set for the year were - simplicity, happiness and disproportionate growth that leads to building a performance-driven culture. A performance-driven culture demands higher efficiency and productivity and the key to achieving higher productivity is attraction, development and nurturing of high caliber individual. With this objective in mind the People Office undertook a number of innovative initiatives. Among the most significant initiatives was the launch of the ‘Happiness Index’. The program is based on the belief that if employees are happy, there will be greater acceptance of the changing needs of the business and they will demonstrate greater trust and willingness to align themselves with the company’s vision, mission and values. When the beliefs are aligned; the right behavior that positively impacts customers manifest and as a result create more happy customers, translating into better value creation for stakeholders. Happy people are more receptive and people refresh productive. Happy people alone can drive productivity and achieve disproportionate growth. Every human being desires and deserves happiness in life. The ‘Happiness Index Program’ is a priority initiative aimed towards building a culture of achieving happiness through sensitivity and empowerment programs at the store. The company also initiated a number of training and development programs, some of which included, Karta or Store Manager development program to identify new store managers from within the organization, Vidyaarambh, a festival of learning at our stores, Suprabhat, a two-day residential program for senior and middle level executives, Leadership Excellence Advancement Programme or LEAP for area managers, PRISM, a talent pipeline identification program and Genesis for management trainees. In addition, the company continues to support the Seekho and Shishya programs that encourage and financially support employees to pursue undergraduate, graduate and post-graduate programs in business and retail management. The training initiatives collectively impacted four out of every five employees in the organization, thereby bringing in fresh energy and perspective within the business.

**Three pillars of happiness**

- Lakshmi: Money and materials  
- Saraswati: Learning and development  
- Durga: Emotional security empowerment trust  

A survey was conducted, consisting of a sample of randomly selected people of Band 1 and Band 2. The survey aims to measure and find out the employee engagement activities in COMPANY A and COMPANY B.

**Basis on which data was analysed**

A. Average rating-wise  
B. Individual rating –wise

<table>
<thead>
<tr>
<th>Rating</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-5</td>
<td>highly engaged</td>
</tr>
<tr>
<td>4-5</td>
<td>Engaged</td>
</tr>
<tr>
<td>below 4</td>
<td>under engaged</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RATING</th>
<th>RESPONSE</th>
<th>CATEGORY</th>
</tr>
</thead>
<tbody>
<tr>
<td>High strongly agree and agree</td>
<td>positive response</td>
<td>highly engaged (if positive response≈90%) or engaged</td>
</tr>
<tr>
<td>High disagree nor agree</td>
<td>neutral response</td>
<td>engaged</td>
</tr>
</tbody>
</table>

**Variables of employee engagement:**

These variables were set in accordance to the company’s three pillars of happiness that is Lakshmi, Saraswati and Durga.

The variables are divided into these three pillars as follows:
• **Lakshmi:** The variables like availability of stocks, offer, benefits come under this pillar.

• **Saraswati:** The variables like information and communication in the job and opportunities for learning and growth comes under this particular pillar.

• **Durga:** The variables like proper information and communication to do the job, recognition and praise at workplace, cooperation by co-workers, feedback and guidance by managers, expectation known by the managers, care as a person and sense of personal accomplishment comes under this pillar.

**Comparative study of Band 1 and Band 2:**

A comparative study of band 1 band 2 employees was done as according to Maslow theory need of employees differ according to their hierarchy.

**Analysis of survey:**

**A. Average-wise:**

Graph 1:

The following above graph shows that the average employee’s ratings in Company B and Company A are 4.3 for Band 1 employees. But looking into each parameters we may make an analysis that Company B has achieved the company pillar Lakshmi more compared to the Company A, similarly Company B has also achieved the second pillar Saraswati higher as the bar in opportunities for learning and growth is higher. But Company B fails to achieve higher ratings in the company’s third pillar that is Durga whereas Company A achieves higher ratings.

We can therefore conclude that the employees in both the organizations are engaged and in order to achieve a highly engaged workforce Company B need to achieve Durga and Company A need to work on to achieve Lakshmi and Saraswati.

**B. Analysis Individual-wise:**

**1. Lakshmi**

1.1. Availability of stocks and offer

Graph 1.1: It shows the high positive response from both the COMPANY A and COMPANY B respondents on the availability of the stocks and offer. But the employees at COMPANY A is categorized to be highly engaged and COMPANY B to be engaged on this particular variable of availability of stocks and offer. As positive response in COMPANY A is 95% whereas that of COMPANY B is 82%.

Thus the proper availability of stocks and offer provide support to the employees to do their work with high engagement and does not give any hindrance or obstacle in doing their job and help them to do their work at optimum level.

1.2. Benefits and offer availability

Graph 1.2: It shows the high positive response from both the organization i.e. COMPANY A &COMPANY B but the COMPANY B respondents positive response on this particular parameter is 78% compared to COMPANY A respondents response which is 65%. As neutral response is also above 25% in both the organization therefore COMPANY A & COMPANY B is categorized as engaged workforce.
This parameter also effects the employee engagement as this gives them satisfaction towards the organization or job they are working.

Therefore, I analyze that the companies happiness pillar Lakshmi which compromise of material and money is not satisfactory among the employees in both the organizations to make them a highly engaged workforce.

2. SARASWATI

2.1. Proper information and communication to do the job

Graph 2.1: It shows a very high positive response from both the employee of COMPANY A and COMPANY B. Thus this parameter which also effects employee engagement is favorable for high engaged workforce in both the organization and thus makes the employees highly engaged at workplace.

Thus the employee’s engagement increases with proper communication and information to do the job. The proper upward and downward communication helps to connect the employees more with the organization and a feeling of belongingness and concern is cultivated.

2.2. Recognition and praise at workplace

Graph 2.2: The respondents give a medium positive response on recognition and praise at work place with the simultaneous response towards the neutral and negative response in both the organization. On comparing the response from both the organization from the above graph, we may conclude that the responses from both the organization is almost same and they stand on the same ground on this particular parameter i.e. both COMPANY A & COMPANY B employees are engaged at workforce.

Thus we may say that employee engagement in COMPANY A & COMPANY B can be improved on working on this parameter.

2.3. Opportunities to learn and grow

Graph 2.3: It shows that the respondents from COMPANY B positive response is 100% and therefore the workforce can be categorized as highly engaged in case of COMPANY B as compared to the respondents positive response from COMPANY A is 80% and therefore has an engaged workforce. Thus the Company should create an environment in COMPANY A that encourages employees to drive towards innovation or to create better systems for more productive results.

3. DURGA

3.1. Co-operations by co-workers

Graph 3.1: The graph shows a high positive response of above 90% from the respondents of both COMPANY A & COMPANY B. Thus the employees in both the organization are highly engaged on this single key driver of employee engagement.

Co-operation among the coworkers create an engaged workforce as the entire organization works together by helping each other i.e. all the employees as well as the managers co-ordinate well.

3.2. Feedback and guidance by managers

Graph 3.2: The graph shows a high positive response of above 90% from the respondents of both COMPANY A & COMPANY B. Thus the employees in both the organization are highly engaged on this single key driver of employee engagement.
3.2. Graph 

It shows a high positive response from respondents of both the organization. But the positive response from respondents of COMPANY B is 91% as compared to the COMPANY A which is 95%. Thus the response on feedback and guidance from the graph shows that employees are highly engaged at workplace in both the organization.

3.3. Expectation known by the managers

Graph 3.3: It shows a high positive response from respondents of both the organization. Thus the graph gives a picture that the organizations are moving towards the highly engaged workforce with the help of their departmental manager’s help. Thus we can say that employees have a feeling of accountability when they know what is expected of them.

Thus employees should know exactly what is expected of them. If expectations are unclear, employees will inevitably face frustration, and will be open for other opportunities where they do know what's expected of them, and where their contributions are measured and recognized.

3.4. Cares as a person

Graph 3.4: It shows a high positive response in case of response from the COMPANY A respondent’s compared to COMPANY B which is . Thus the managers in COMPANY B should more caring to their subordinates to make them more engaged at workplace.

3.5. Sense of personal accomplishment

Graph 3.5: It shows the sense of personal accomplishment is more in case of COMPANY A employees as positive response is more compared to COMPANY B which is less and puts under the category of engaged workforce compared to COMPANY A which is under highly engaged workforce.

Thus the employees at COMPANY B should be given more opportunities to feel a sense of personal accomplishment and they are more engaged at workplace.

VI. CONCLUSION

The employees in the organization are genuinely engaged but in order to make them highly engaged both the employee and the employer need to work in order to create a win-win situation. The employer needs to give the required input for employee’s engagement so that the employee’s engagement can be seen in the expected output. In a retail industry were the employees have 365 days of working day with business mainly on the weekend’s employee engagement activities become the basic need for the employees.

Thus it was also found from the studies that companies with best employee engagement also attain better financial results and also retain their most valued
employees compared to companies with low employee engagement. Though product, customer and innovation will be the most important enablers to do the best business but high growth agenda can only be achieved through the best performer and engaged employees.

Areas of excellence:

Both organizations have certain areas where they have been consistently performing well. These are essentially the strengths of the organizations and need to capitalize on these strengths to increase their market share and brand loyalty. The main areas of excellence, based on the employee survey, have been identified as follows:

COMPANY B:
I. Employees Qualification: The employees are more qualified and can better understand the business. A small initiation to make them engage works in a better way. They love their job more.

II. Ambience and décor: It is one of the important areas of excellence in COMPANY B which keeps the workforce more active.

III. Green card: It is an additional availability of earning incentive to the employees of COMPANY B.

COMPANY A:
I. Availability of stocks: Most of employees’ response was not very satisfactory. The face to face interaction gave an idea that the customers are very specific to their needs and there is often the problem of stock out which is an obstacle in giving proper customer service.

II. Relationships: The bondage of employees with the managers was found to be less and which can again be one of reason for employee disengagement.

Areas of improvement

Both organizations have underperformed or not lived up to potential in certain areas. The areas are weaknesses, which need to be improved upon, as that both can eliminate any disadvantage that may have, and improve employee engagement. The mail areas needing improvement, based on the employee survey, have been identified as follows:

COMPANY B:
I. Availability of stocks: Most of employees’ response was not very satisfactory. The face to face interaction gave an idea that the customers are very specific to their needs and there is often the problem of stock out which is an obstacle in giving proper customer service.

II. Relationships: The bondage of employees with the managers was found to be less and which can again be one of reason for employee disengagement.

COMPANY A:
I. Qualification: Employees qualification should be looked upon because affects their attitude. A better qualified employee is found to be more approachable to the customer and thus can engage customer more.

II. Engagement activities: Employees should be more initiated to participate in these activities which would enhance their performance.

REFERENCES

management actions to create firm wealth. Academy of Management Executive, 75(1), 49-63.