

## EMPLOYEE ENGAGEMENT IN RETAILING

J.R.Inbasaharan<sup>1</sup> & Dr.C.Jothi Baskara Mohan<sup>2</sup>

<sup>1</sup>Research Scholar, Department of Management Studies, Madurai Kamaraj University, Madurai

<sup>2</sup>Associate Professor, Department of Business Administration, Thiagarajar College, Madurai

### Abstract

*The retail sector in India is fast growing with the economic development of the country and the consequent increase in consumption. The organized retail sector is growing faster in India as the industry was dominated by traditional retailing for a very long time and currently many corporate players are setting up their retailing companies. The changes in consumer classes too with the desolate and the deprived population shrinking rapidly have been impacting the growth of organized retailing positively. Retailing is a people-centric business - people serving people, that is, sales people in retailing serving customers who are people with their tastes and preferences. Many retail organizations in India have grown in the last score of years and Future Group is the one which has attained leadership position in organized retailing in India. The group has got Big Bazaar, Food Bazaar, fashion @ big bazaar, Foodhall, Home Town, Ezone and Central as its key retail formats and till recently Pantaloon Retail India Ltd. The Future Group currently has as many as 30000 (thirty thousand) employees in all the formats it operates. The dynamics of its people engagement policies and practices applicable to such a large number of employees may be of any researcher's interest to study and it is worthwhile to make an attempt to understand and study the various aspects of employee engagement. The exponential growth of the Retail Formats of Future Group was supported by robust Employee Engagement Policies like Educational Initiatives. A random sample of beneficiaries of these initiatives was interviewed to assess the effectiveness of the engagement initiatives on Organizational Development of Future Group. The effectiveness of these initiatives can be used for benchmarking the best practices in retail industry.*

### Introduction

The retail sector in India is fast growing with the economic development of the country and the consequent increase in consumption. The organized retail sector is growing faster in India. The changes in consumer classes too with the desolate and the deprived population shrinking rapidly have been impacting the growth of organized retailing positively. Retailing is a people-centric business - people serving people, that is, sales people in retailing serving customers who are people with their tastes and preferences. With the exponential growth of the economy of India in the recent past, the business of organized retailing has emerged as a significant sector offering employment in India. The enormous expansion in the retail sector during the past few years has thrown up a big demand for trained professionals in the field; it is an industry looking for people at all levels, from the school pass out with basic skills, to the well qualified supply chain and retail management professionals (Gadhav, et al, 2012). With such a growing demand for retail professionals, retaining talents may be a challenge for an organization.

### Review of Literature

Employee engagement is defined as "a heightened emotional connection that an employee feels for his or her organization, that influences him or her to exert greater

discretionary effort to his or her work"(Gibbons, 2006). Many organizations now measure their employees' level of engagement and to attempt to increase those levels of engagement because they believe that doing so will improve productivity, profitability, turnover and safety (Little, Beverly & Little, Phillip, 2006). This definition shows just an emotional perspective of employee engagement. Researchers have mixed definitions of employee engagement. According to Beverly and Philip (2006), researchers do not distinguish between attitudes and behaviors, mixing examples of both even in their definitions. Robinson et al. (2005) are found to mix the concept by defining employee engagement as: "the individual's involvement and satisfaction with as well as enthusiasm for work," which is an attitude; "desire to work to make things better" which is a behavioral intention; and "working longer hours, trying harder, accomplishing more and speaking positively about the organization" which are behaviors. Wellins and Concelman (2004) mix commitment, loyalty, productivity and ownership, which are a mix of three attitudes and an outcome into their definition. So, employee engagement combines all the aspects of various attitudinal, behavioral, emotional and cognitive attributes and creates a bond between the employee and the organization with the capabilities of the organization to engage and retain the employee. Many studies have focused on issues of employee engagement from an employee perspective and a few from an organizational angle. The impact of employee engagement in the context of retailing through educational initiatives in large organizations in India has eluded many researchers. A study of employee engagement in Future Group with so many of its employees will be a significant study. Employee engagement is more challenging in bigger companies than it is at smaller companies (Gibbons, 2006). The study will also serve as a guideline for many more organizations that may be in their inception or growth phase in retailing and even across industry sectors. One of the supportive factors of the exponential growth of Future Group is its robust employee engagement policies in the education domain.

#### **About Future Group**

Many retail organizations in India have grown in the last score of years and Future Group is the one, which has attained leadership position in organized retailing in India. The group has got Big Bazaar, Food Bazaar, Central, Brand Factory, Fashion @ Big Bazaar, Foodhall, Home Town, Ezone, KB's Fair Price as its key retail formats. The Future Group currently has as many as 30000 (thirty thousand) employees in all the formats it operates. The organizational challenges to retain talents with the company may be large. Educational Initiative is a critical tool to engage employees throughout their career. The dynamics of its people engagement policies and practices applicable to such a large number of employees may be of any researcher's interest to study and this paper focuses on the education initiatives of Future Group and their impact on employee engagement.

### **Education Initiatives at Future Group Impacting Employee Engagement**

The study shows that majority of the workforce - to the tune of 70% - is in the frontline sales category. The basic qualification for this grass root level of employment both in frontline and backend operations in Organized Retail is generally 10+2 secondary education. These employees start their career soon after their school education due to various reasons like economic compulsions, desire to earn and be independent at a young age, dropping out of school to learn a vocational trade and the like. In the course of gaining experience and making a career in retail, they realize the importance of education as a critical factor in their career development. Formal education in their domain can equip them with the knowledge and skill inputs to shoulder more responsibilities in their career and groom them into a leader. When an organization acknowledges and fulfills their desire to pursue their studies it becomes a nurturing and engaging organization. The study reveals that Future Group helps in fulfilling this desire through two distinct employee engagement policies in the education domain: 'Seekho' and 'Shishya'.

#### **'Seekho' - a Call to Learn'**

This initiative addresses the need for trained, qualified personnel in the organization. Under the Seekho program, the company integrates backwards by associating with Universities, Colleges, Business Schools, ITIs, Government Bodies, NGOs etc across India to facilitate training and educating potential man power in the various facets of retail business and related areas.

#### **Graduate Program in Retail Management: BBA Retail Services**

The distance learning undergraduate program in retail management has been designed to cater to the desire of internal employees who want to pursue a formal education while they work. This program is offered through association with Madurai Kamaraj University and Indira Gandhi Institute of Distance Education. Future Innoversity, the education vertical of Future Group liaison with the universities and facilitates the admission, contact classes, assessment and certification of the program. Employees are encouraged to apply for the program as it will improve the prospects of their promotional chances and increase their self-confidence with enhanced capabilities. This course is found to have not only fulfilled their desire to become a graduate but also to give employees the much needed domain expertise and the confidence that comes along with it. Since the course is offered through distance learning the employees are able to complete the course and continue working simultaneously. The study shows that the retention of employees with the company has got a great boost through this employee engagement initiative. The following table shows the details of the number of employees enrolled for BBA Retail program through Distance Learning year-wise:

Academic Year	University	Employees Enrolled
2006	Madurai Kamaraj University	611
2007	Madurai Kamaraj University	514
2010	Indira Gandhi National Open University	717
2011	Indira Gandhi National Open University	252
2012	Indira Gandhi National Open University	154

### Post Graduate Courses in Retail Management

The program at the post-graduate level offered is MBA Retail and Post Graduate Program in Retail Management (PGPRM). Future Group has tied up with various Management Institute across the country, which have introduced a Post Graduate Program in Retail Management. These post-graduate level programs are found to encourage the employees to enhance their productivity through development of their internal potential and retail skills. The employees are allowed to go on a sabbatical to attend a Full Time Educational Program. All the employees who have completed one year with the organization and with an 'excellent' rating in the last appraisal may apply for the programs announced under 'Seekho' policy. The selection criteria for each program are prescribed based on university norms. The course fee of the selected employees is sponsored by the organization and their compensation remains unaffected. Future Innoversity, the education vertical of Future Human Development Ltd launched MBA Retail program in 2010 in association with Indira Gandhi National Open University. Now, the Future Group employees selected under 'Seekho' Policy do their two-year full time MBA Retail program with Future Innoversity.

Future Innoversity also has launched a Post Graduate Program in Retail Management in association with Retailers Association of India. Future Group employees selected through 'Seekho' Policy join these programs and get a post graduate degree in retail management. As the leading company in the retail domain, Future Group professionals have played a key role in developing the course right from the development of course content, offering guest sessions and orienting the faculty towards various retail functional subjects. All Future Group employees who have been through this course have developed a stronger bond and sense of belongingness to the company. The 'Seekho' team is always working towards improving the existing programs and also in developing new programs to cater to the education needs of all levels of people in the organization and thus creating a positive impact on the society. Employees benefited from this Seekho Policy have risen from the level of Team Leader to the level of Store Manager. Meteoric rise of these chosen employees has always been a great inspiration to the rest of the manpower in Future Group.

### Shishya Policy

At Future Group this policy is devised to encourage the Karta Culture (leadership) among the employees through external educational programs of their choice under any

accredited institution. This policy provides an opportunity to the employees to develop and enhance their skills and knowledge through various educational and learning programs, which will contribute to their role or help them in their career advancement. This policy encourages and rewards consistent and productive employee by aiding with career development through participating in appropriate higher education programs. All employees can avail this benefit. They should have completed a year with the organization and should have got an excellent rating in their performance appraisal. The total value of the benefit can be availed once in three years from the date of eligibility. The eligible employees can attend Workshops, Seminars and Training Programs. Employees can be recommended for Courses/Programs, which are relevant to enhance their skills/knowledge required for their role or career advancement. The study shows that 520 employees currently attend these programs outside their working hours without compromising on their commitment to their existing job responsibilities.

### Conclusion

It was found that the various education initiatives discussed above have a positive impact on employee engagement and help Future Group retain its employees besides adding knowledge and skills to them. The attrition rate among the employees enrolled in the education initiatives of the company significantly reduced. The initiatives also found to have contributed to employee morale and to a better employer-employee relationship. The study can be extended to other growing industry sectors as well.

### References

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