CHAPTER I

INTRODUCTION

1.1 BACKGROUND

Retailing has been playing a major role in taking goods and services to the end consumer as a last mile activity in the function of Marketing. Retailing has attracted the involvement of many organizations across the globe. Retailers have evolved as large commercial organizations in many developed countries and in developing countries like India. The world’s largest organization is a retailing organization, Walmart, which has achieved a turnover of more than $476.29 billion in the financial year 2014 (Source NASDAQ – Walmart’s Income Statement). In many countries retailing contributes to a major part of the respective GDP growth. With time along with the growth of consumerism retailing in developed countries has set trends for developing countries like India to follow (Vedamani, 2015). Retailing is one of the sectors that employs the largest number of people in many countries across the World. In India it is said to be the second largest sector that provides employment opportunities for people after Agriculture.

1.2 EMPLOYEE ENGAGEMENT IN RETAILING

Employee engagement has emerged as an important construct of interest in both academic and business circles. Its association with firm performance highlights the practical importance from a managerial perspective, with recent
reports indicating that firms with highly engaged employees have significantly higher net income, higher employee productivity, lower turnover, and more easily attract top talent (Irvine, 2009). Such reports endorse the notion that engaged employees are a key to strategic and tactical initiatives, as they tend to be more supportive of organizational change initiatives, and that their actions have a spillover effect on the rest of the organization (Rhoads, 2000).

People in retailing are significant to operational success. In many countries along with the growth of consumerism retailing is developing with time and the sector is the largest contributor to employment. Talent management has always been a focus area in global retailing. Many retailers have defined human resource policies and processes to develop employees to deliver delightful service to customers. In the recent recession in many countries as organizations were struggling to expand, many put their focus on developing people by instituting proper training and development systems. Studies have revealed that engaged employees are assets to organizations as they are found to deliver the best to their organizations.

1.3 NEED FOR THE STUDY

According to many scholars, employee engagement is the degree to which employees are ‘psychologically invested’ in the organization and motivated to contribute to its success. Studies have also found that engagement results in discretionary effort toward attaining organizational goals and highly engaged employees provide maximum effort on the job and reach their performance potential. So it becomes necessary for studying and identifying
the degree and level of employee engagement in an organization since it may have a direct relationship to employee performance which again results in the growth of a company.

The interest of the researcher is to study the levels of engagement of employees in an organization. Many studies reveal that an organization needs engaged employees who have the capabilities to do their job and have the proper direction to apply their efforts and abilities show high levels of engagement, capabilities, and direction, that result in an opportunity to peak perform. Employees in an organization can be Disengaged, Under-engaged, Moderately engaged and Fully engaged and the employees may fall under one category or the other which could have a bearing on their performance which in turn will impact the growth of the organization. It is relevant for the researcher to find out the mix of the above levels of engagement in employees in an organization so that it can give direction to the employees as well as the organization in order to achieve better results in future. Future Group is a pioneering retailing organization in India. Post the group’s disinvestment in Pantaloons, the apparel retail format, it focuses on developing its new lifestyle format Future Lifestyle Fashion Limited (FLFL). The researcher’s interest is to study the factors impacting employee engagement in FLFL.

1.4 STATEMENT OF PROBLEM

The organized retail industry in India is yet in its nascent stages and the various influences and factors that are responsible for employee engagement in retailing can provide definite pointers to many retail organizations in working
out their future human resource strategies for growth. The study is attempted with the broad objective of addressing the research problem of comprehending and analyzing the factors influencing employee engagement in a large organized retail firm in India so that many similar retailing organizations could benefit from this research from an employee engagement perspective and plan their future courses of action. For the purpose of analyzing the factors responsible for employee engagement in a retail firm, it has been decided to study employment engagement initiatives in Future Lifestyle Fashion Limited, which is a significant retail arm of Future Group in India.

The purpose is to study the engagement behaviour of front-end Band 1 level of employees who are the pivot of the retail business at FLFL. The more the front-end staff are engaged, the more may be the increased measure of business results for the organization. FLFL has employee engagement initiatives and the researcher is interested to study and understand the effectiveness of each and how each initiative may result in increasing the degree of engagement of employees with the organization.

As retail industry as a whole is very manpower intensive and majority of the employees are engaged in grass root front end level. The study on employee engagement will be useful to these growing and new retailing organizations to know, understand and implement the learning from the findings and suggestions of this study so that they do not have to repeat any mistakes or go through the process of learning once again.
The key research questions arising are summarized below:

1. Is employee engagement in organized apparel retailing in FLFL following any significant patterns and trends? Are there any commonalities and differences with other industry sectors studied earlier?

2. What are the factors causing and impacting successful employee engagement in FLFL? How do these factors affect employee engagement in FLFL for the growth of the organization?

3. What are the outcomes that could be found in employees that may have to be addressed for better employee engagement in FLFL?

4. What are the strategic and managerial implications of employee engagement for the future growth of FLFL and for organized apparel retailing in India?

The answers to these research questions may address the larger concern of finding proven influences, patterns, trends and factors responsible for the successful employee engagement in FLFL. The answers may also provide the deeper insights into those strategic and managerial implications pertaining to charting the right course for devising the right employee engagement initiatives for the organization which may be a learning for impacting employee engagement contributing in turn to the growth of the organized apparel retailers in India.
1.5 OBJECTIVES OF THE STUDY

The objectives of the study are as follows:

- To trace the development and growth of retailing in the global and Indian perspectives.
- To study in depth those factors impacting employee engagement in FLFL.
- To understand the levels of employee engagement in the organisation.
- To study the gaps if any, between organizational and employee perception about employee engagement.
- To find how effective are the employee engagement initiatives of the organization both in retaining talents and in increasing performance levels.
- To develop a suitable model for a retail organization to implement effective employee engagement practices.
- To help the organization (and the organizations in similar businesses ultimately) to take up the right kinds of initiatives by studying the effectiveness of such initiatives in Future Group’s FLFL so that it can help employees to be fully engaged.

1.6 HYPOTHESES

1. H0 – There is no significant relationship between employee engagement and work attitude.
2. H0 – There is no significant relationship between employee engagement and work behaviour.
3. H0 – There is no significant relationship between employee engagement and work outcome.

1.7 OPERATIONAL DEFINITIONS

Customer: A Customer is one who buys services or goods from someone and buys quite often for oneself or for someone else. The terms Customer and Consumer have a thin line of differentiation and in the Retailing context they are often interchangeably used.

Consumer: A Consumer is someone who consumes the product or service. The consumer is the one who finally experiences the use of the product or service.

Retailing: Retailing is the last-mile activity in the sales and distribution channel of a product or service where the seller sells a product or service to the customer on a first-hand basis in small quantities and not in bulk.

Retail Market: The Retail market is defined as a group of customers who buy goods and services from a business or person who sells them.

Retailer: Retailer refers to a business or person that sells a product or service directly to the customer.

Retailing Strategy: Retailing Strategy is the means by which a retail business defines the target customers by segments and their needs/wants and plans the bases accordingly to build a sustainable competitive advantage.
Organized Retailing: The business of retailing that is registered under all the required legislations/acts (laws of the land) and follows practices legally specified for such licensed retailers.

Retail Format: Retail Format refers to the type of retail business. The format of a retailer includes the sort of product categories it stocks and sells and the overall layout/appearance, look and feel that it presents to customers.

Employee Engagement: Employee engagement is a workplace concept wherein employees are committed to contribute to the organisation’s success, its reputation and interests by being fully absorbed and enthusiastic about their work contribution. Also known as Work Engagement and these two terms are often interchangeably used.

Absorption: Absorption is characterised by being fully concentrated and happily engrossed in one’s work, whereby time passes quickly and one has difficulties with detaching oneself from work.

Vigour: Vigour refers to the high levels of energy and mental resilience while working, the willingness to invest effort in one’s work, and persistence also in the face of difficulties.

Dedication: Dedication means to be committed and enthusiastic about work to the extent of putting in extra efforts to achieve given tasks on time efficiently.
Work Attitude: Work attitude refers to the way an employee tends to view and behave towards the job in an evaluative way.

Organizational Commitment: Organizational Commitment refers to employee’s attachment to the organization that plays a role in determining whether a member will stay with the organization and zealously work towards achieving organizational goals.

Career Commitment: Career Commitment is defined as an employee’s positive attitude and outlook to the vocation or function and devoting one’s capabilities to grow on the job or the functional area in future.

Job Involvement: Job Involvement is defined as an employee’s state of attachment to the job with a determination to complete given jobs efficiently.

Job Satisfaction: Job Satisfaction is defined as an employee’s mental state of happiness about doing the particular job or function.

Work Behaviour: Work Behaviour is defined as the way by which an employee acts or conducts himself/herself, especially towards the job and colleagues.

Work Outcome: Work Outcome is defined as the consequence that follows from the work actions of employees.

Job Performance: Job performance refers to the degree and level to the extent of which an employee has done the job well.
Withdrawal Intention: Withdrawal Intention refers to the tendency to discontinue from performing the assigned job.

1.8 SCOPE OF THE STUDY

The present study on Employee Engagement in Organized Retailing is an attempt to understand and assess the impacting factors of employee engagement. The study is confined to the lifestyle format of Future Group, known as FLFL. The employees of the said organization alone are studied though it would be of interest to study many similar organizations in the retailing sector in India. It would be too unwieldy to cover such vast number of organizations in terms of time, resources, logistics and data gathering but FLFL being a fore-running organization in retailing with more than 9000 employees, the study may be of significant value to the retailing sector in India.

1.9 PERIOD OF THE STUDY

The period of the study ranges from May 2012 to November 2015.

1.10 METHODOLOGY

The research methodology shows the ways and means to be followed in the research activities starting from investigation to presentation of research report. It includes the research design, population of the study, sampling framework, construct development, data collection, framework of analysis and limitations. The methodology followed in the present study is summarised below:
The study is basically an empirical one based on data gathered from employees of FLFL. A sample of 547 employees has been chosen for the purpose of the study. The primary data was gathered using a questionnaire method administered in person. The study pertains to understanding the impacting factors of employee engagement from a cross section of employees in the different brand organizations of FLFL.

1.10.1 Research Design Of The Study

A research design is a framework for guiding a research project. It describes the procedures essential for obtaining the information required to structure and/or solve the research problems. It enumerates the information needed, the design of the research, the specified measurement and scaling procedures, the construction and pretest of questionnaire, the sampling process, the sample size and the plan of data analysis.

In the present study, the applied research design is descriptive. The study satisfies all aspects related to the characteristics of a descriptive research design as it has its own confined objectives and predetermined methodology. It is portraying the profile of employees in the retail organization chosen for the study, FLFL, various factors leading to employee engagement, related work behaviour and work outcome.
1.10.2 Profile Of The Study Areas

The cities from where the employees of FLFL in its various formats of stores were drawn, are Chennai, Bengaluru, Hyderabad, Mumbai, Kolkata, Chandigarh and New Delhi.

_Chennai_: Chennai is the capital city of the State of Tamil Nadu in India. Chennai is said to be the commercial centre for retailing in India being home to various ethnic retail formats. Apart from being a major district, this metropolis also serves as the gateway of South India. With a total population of 4.9 million, the city is one of the growing metro cities of India.

_Bengaluru_: Also known as Bangalore, it is the capital city of the State of Karnataka in India. Bangalore is a cosmopolitan city and it is known as the Silicon Valley of India as the city has accommodated many Information Technology companies. The city is famous for its beautiful parks, avenues, impressive buildings, heritage centers and excellent shopping. Bengaluru has a population of 10.1 million.

_Hyderabad_: Hyderabad is the capital of the newly formed Telangana State in India. Hyderabad is the third most important city in South India. Hyderabad has a thriving IT industry and is the second most popular software hub in the country with Bangalore as the first and Pune as the third. Hyderabad has museums, landmarks, pubs, restaurants, spas, shopping and more. The city has a population of 8.7 million.
**Mumbai:** Mumbai is the capital of Maharashtra State in India and it is popularly known as the Commercial Capital of India. The city is the country’s financial and communication centre. Mumbai has a truly cosmopolitan population bustling with activity. Its film industry "Bollywood" also draws a number of youths to Mumbai. Being a major financial center, people from all over the world come here for business opportunities. This has made Mumbai a major International city. It has a total population of 20.7 million.

**Kolkata:** Kolkata city is the capital of the State of West Bengal which lies in the Eastern part of India. The city is known for its old traditions, being famous for education, literature and theater. The city has many shopping high streets. It has a population of 4.6 million.

**Chandigarh:** Chandigarh is the capital of Punjab State in India. General information on Chandigarh tells us that the city is one among the Indian cities that have the highest per capita income. When Wal-Mart began its business operations in India in collaboration with Bharti group, the company established its Easy Day stores in Punjab first, beginning from Chandigarh. The city has a total of 1.2 million people.

**New Delhi:** New Delhi is the Capital Territory State of India. New Delhi is the centre of all the government offices and it is home to the Ambassadors and the Consuls from various countries of the World. The city’s vicinity has good shopping centres and malls. The city boasts of a rich cultural heritage. New Delhi has a population of 17.8 million. The National Capital Region (NCR)
includes the neighboring cities of Baghpat, Alwar, Sonepat, Gurgaon, Ghaziabad, Faridabad, Greater Noida, Noida, and nearby towns. The NCR has an estimated population of 24 million.

1.10.3 Determination Of Sample Size

The determination of sample size is a very important issue, because samples that are too large may waste time, resources and money. While samples that are too small may lead to inaccurate results. According to (Saunders et al., 2000) researchers normally work to a 95 percent level of certainty. This means that if sample are selected 100 times, at least 95 of these samples would be certain to represent the characteristics of the population. The margin of errors describes the precision of the estimation of the population. For most business and management researches, a researcher estimates the population’s characteristics by plus or minus 3 to 5 percent of its true values.

The researcher has applied the following formula to determine the sample size.

\[ n = \left( \frac{ZS}{E} \right)^2 \]

where

\[ Z = \text{Standardized value corresponding to a confidence level of 95\%} = 1.96 \]

\[ S = \text{Sample SD from Pilot study of 100 samples} \]

\[ E = \text{Acceptable Error} = 5\% = 0.05 \]

\[ n = (1.96*0.5966/0.05)^2 \]
Sample size = 546.94 = 547

In this study, the researcher took 547 samples from the population.

The sample for the study is determined with the survey population being a considerable part of the total universe of Band 1 level employees in the organization.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the city</th>
<th>No. of questionnaire distributed</th>
<th>Filled-up questionnaire received</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chennai</td>
<td>100</td>
<td>81</td>
</tr>
<tr>
<td>2</td>
<td>Bangalore</td>
<td>100</td>
<td>79</td>
</tr>
<tr>
<td>3</td>
<td>Hyderabad</td>
<td>100</td>
<td>78</td>
</tr>
<tr>
<td>4</td>
<td>Mumbai</td>
<td>100</td>
<td>81</td>
</tr>
<tr>
<td>5</td>
<td>Chandigarh</td>
<td>100</td>
<td>72</td>
</tr>
<tr>
<td>6</td>
<td>Kolkata</td>
<td>100</td>
<td>80</td>
</tr>
<tr>
<td>7</td>
<td>New Delhi</td>
<td>100</td>
<td>76</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>700</strong></td>
<td><strong>547</strong></td>
</tr>
</tbody>
</table>

The total number of questionnaires distributed in the self-administered survey was 700 sets. Purposive sampling method is applied in this research for selecting the sample. A form of non-probability sampling in which decisions concerning the individuals to be included in the sample are taken by the researcher, based upon a variety of criteria which may include specialist knowledge of the research issue, capacity and willingness to participate in the
research. Some types of research design necessitate researchers taking a decision about the individual participants who would be most likely to contribute appropriate data. Based on such decision the sample profiles have been chosen for the study. Based on the collected questionnaires, 104 sets of questionnaire were incomplete and 49 sets of questionnaires were not returned. Assumption was made that the respondents were either reluctant to collaborate or did not want to answer the questionnaire seriously. As a result, only 547 valid sets of questionnaires (78 percent) were available and then used for further analysis using SPSS software version 21. The data analysis methods carried out for this research was descriptive analysis, scale measurement analysis and inferential analysis.

1.10.4 Sources Of Data

The present study is completely based on the primary data. The secondary data collected from the books, journals and magazines were used to form the Theoretical framework of the study and the review of literature. The primary data are collected with the help of structured questionnaire.

1.10.5. Construct Development

The structured questionnaire was divided into three major parts. The first part elicits demographic information about the respondents, information on respondents’ perceptions and expectations from the organization, the information on organizational employment engagement initiatives and delivery levels and information on person related expectations. The second major part
of the questionnaire consists of the Work Engagement and Work Behaviour dimension of how respondents feel at work in terms of three key factors of Absorption, Vigour and Dedication. The third major part of the questionnaire includes two dimensions of employee engagement, viz. Work Attitude and Work Outcomes. While Work Attitude consists of four key factors, viz. Organizational Commitment, Career Commitment, Job Involvement and Job Satisfaction, Work Outcome consists of two key factors namely Job Performance and Withdrawal Intentions. In all, seventy variables were identified through the review of literature and past studies. The employee engagement variables were measured with the help of Likert’s five-point scale. A pilot-study was conducted among 50 employees as respondents. Based on the feedback, certain modifications, additions and deletions were carried out to prepare the final questionnaire.

1.10.6 Validity & Reliability For Work Engagement Scale

Validity of the scale is important for obtaining meaningful results. Validity and reliability are the tools used to evaluate the characteristics of a good measurement and these tools involved a measurement of accuracy and applicability (Malhotra, 2004; Cooper and Schindler, 2001). The main concern for performing validity and reliability is to develop a measurement that reflects a true score of the variables being measured (Churchill and Iacobucci, 2002).
1.10.6.1 Validity Of The Scale

The test, as a data collection tool, must produce information that is not only relevant but free from systematic errors; that is, it must produce valid information. In general a test is valid if it measures what it claims to measure. A test, however, does not possess universal and eternal validity. It may be valid for use in one situation but invalid if used in another. Cronbach (1964) states that a test which helps in making one decision in a particular research situation may have no value at all for another. According to Zikmund and Babin (2010) validity is the accuracy of a measure or the extent to which a score truthfully represents a concept. In other words, Validity is concerned with the test being capable of testing what it was designed for, which is not as simple as it seems (Hair, 2006).

Table 1.2: Reliability and validity of the work engagement scale

<table>
<thead>
<tr>
<th>Factors</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB</td>
<td>0.896</td>
<td>0.604</td>
</tr>
<tr>
<td>VI</td>
<td>0.899</td>
<td>0.608</td>
</tr>
<tr>
<td>DE</td>
<td>0.935</td>
<td>0.747</td>
</tr>
</tbody>
</table>

The CFA loadings are indicated in the below figure (standardized loadings) also suggest that all the items taken for scale construction qualify to develop the scale. This is due to the fact the Confirmatory Factor Analysis (CFA) loadings are greater than 0.50 for all the items which supports the construct validity of the construct. The above table concludes that all composite
reliability (0.7) and convergent validity approach was used and it shows that Average Variance Extracted values (0.5) for all construct are higher than expected levels. It supports composite reliability and convergent validity of the constructs.

Browne & Cudeck (1993) study indicates the model fit can be checked by RMSEA which is less than 0.08 has a good fit and less than 0.05 has a closer fit. Chin and Todd (1995) study proposed that for goodness of model fit GFI (Goodness of Fit Index) and NFI (Normed Fit Index) should be above 0.9 and AGFI (Adjusted good-of-fit Index) should be above 0.8. Bentler (1990) study suggest for good model fit CFI (Comparative Fit Index) should be greater than 0.9. CFA results indicate a good model fit, \( \chi^2 = 240.751 \), degrees of freedom \([df] = 116\), \( \chi^2/df = 2.075 \), GFI = 0.872, AGFI = 0.832, NFI = 0.912, CFI = 0.952, RMSEA = 0.074. As per the various model fit statistics indicates that model was good fit.
Figure 1.1: Measurement model for the work engagement scale

Table 1.3: Reliability and validity of the organizational commitment scale

<table>
<thead>
<tr>
<th>Factors</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective commitment</td>
<td>0.855</td>
<td>0.531</td>
</tr>
<tr>
<td>Continuance commitment</td>
<td>0.890</td>
<td>0.505</td>
</tr>
</tbody>
</table>
The CFA loadings are indicated in the below figure (standardized loadings) also suggest that all the items taken for scale construction qualify to develop the scale. This is due to the fact the CFA loadings are greater than 0.50 for all the items which supports the construct validity of the construct. Above table concludes that all composite reliability (0.7) and convergent validity approach was used and it shows that Average Variance Extracted values (0.5) for all construct are higher than expected levels. It supports Composite reliability and convergent validity of the constructs.

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Figure 1.2: Measurement model for the organizational commitment scale

Table 1.4: Reliability and validity of the career commitment scale

<table>
<thead>
<tr>
<th>Factors</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career commitment 1</td>
<td>0.874</td>
<td>0.536</td>
</tr>
<tr>
<td>Career commitment 1</td>
<td>0.849</td>
<td>0.584</td>
</tr>
</tbody>
</table>
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Figure 1.3: Measurement model for the social awareness scale
Table 1.5: Reliability and validity of the job involvement scale

<table>
<thead>
<tr>
<th>Factors</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job involvement 1</td>
<td>0.951</td>
<td>0.765</td>
</tr>
<tr>
<td>Job involvement 2</td>
<td>0.921</td>
<td>0.744</td>
</tr>
</tbody>
</table>

The CFA loadings are indicated in the below figure (standardized loadings) also suggest that all the items taken for scale construction qualify to develop the scale. This is due to the fact the CFA loadings are greater than 0.50 for all the items which supports the construct validity of the construct. Above table concludes that all composite reliability (0.7) and convergent validity approach was used and it shows that Average Variance Extracted values (0.5) for all construct are higher than expected levels. It supports Composite reliability and convergent validity of the constructs.

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Figure 1.4: Measurement model for the job involvement scale
Table 1.6: Reliability and validity of the job satisfaction scale

<table>
<thead>
<tr>
<th>Factors</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td>0.879</td>
<td>0.550</td>
</tr>
</tbody>
</table>

The CFA loadings are indicated in the below figure (standardized loadings) also suggest that all the items taken for scale construction qualify to develop the scale. This is due to the fact the CFA loadings are greater than 0.50 for all the items which supports the construct validity of the construct. Above table concludes that all composite reliability (0.7) and convergent validity approach was used and it shows that Average Variance Extracted values (0.5) for all construct are higher than expected levels. It supports Composite reliability and convergent validity of the constructs.

Figure 1.5: Measurement model for the job satisfaction scale
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Table 1.7: Reliability and validity of the work outcome scale

<table>
<thead>
<tr>
<th>Factors</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job performance</td>
<td>0.879</td>
<td>0.593</td>
</tr>
<tr>
<td>Turnover intentions</td>
<td>0.850</td>
<td>0.656</td>
</tr>
</tbody>
</table>

The CFA loadings are indicated in the below figure (standardized loadings) also suggest that all the items taken for scale construction qualify to develop the scale. This is due to the fact the CFA loadings are greater than 0.50 for all the items which supports the construct validity of the construct. Above table concludes that all composite reliability (0.7) and convergent validity approach was used and it shows that Average Variance Extracted values (0.5) for all construct are higher than expected levels. It supports Composite reliability and convergent validity of the constructs.
Browne & Cudeck (1993) study indicates the model fit can be checked by RMSEA which is less than 0.08 has a good fit and less than 0.05 has a closer fit. Chin and Todd (1995) study proposed that for goodness of model fit GFI (Goodness of Fit Index) and NFI (Normed Fit Index) should be above 0.9 and AGFI (Adjusted good-of-fit Index) should be above 0.8. Bentler (1990) study suggest for good model fit CFI (Comparative Fit Index) should be greater than 0.9. CFA results indicate a good model fit, ($\chi^2$= 21.408, degrees of freedom [df] =18, $\chi^2$/df = 1.189, GFI = 0.974, AGFI = 0.947, NFI = 0.975, CFI = 0.996, RMSEA = 0.031. As per the various model fit statistics indicates that model was good fit.

Figure 1.6: Measurement model for the work outcome scale
1.10.7 Framework Of Analysis

The analysis of data in a research plays a pivotal role in the sense that it interprets, justifies and proves the hypothesis and the proposals. The judicious blend of analytical tools used has its own impact on the findings of the research, thereby making it highly objective and scientific. In this context, the tools for analysis have been rightly chosen as follows.

1.10.7.1 Descriptive Analysis

Descriptive analysis is an important tool used to assess the distribution of respondents in each category. As it is expressed in percentage, it facilitates comparison. This analysis is carried out for respondent employees separately and suitable charts were also drawn for selected tables to facilitate the understanding of the reader.

1.10.7.2 T-Test

The ‘t’ test is used to find out the significant difference among the two group of samples regarding any intention variable which is internal scale. The ‘t’ statistics is calculated by

\[
t = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{(n_1-1)s_1^2 + (n_2-1)s_2^2} \sqrt{\frac{1}{n_1} + \frac{1}{n_2}}}
\]

Degree of freedom of \((n_1 + n_2 - 2)\)

Whereas \(t\) – ‘t’ statistics

\(\bar{X}_1\) – Mean of the first sample
X_2 \quad – \quad \text{Mean of the second sample}

\sigma^2_1 \quad – \quad \text{Variance in the first sample}

\sigma^2_2 \quad – \quad \text{Variance in the second sample}

n_1 \quad – \quad \text{Number of samples in first group}

n_2 \quad – \quad \text{Number of samples in second group}

In the study, the ‘t’ test has been used to find out the significant difference between gender and marital status of employees and employee engagement dimensions.

1.10.7.3 Analysis of Variance (ANOVA)

Analysis of variance is used for examining the differences in the mean values of the dependent variable associated with the effect of the controlled independent variables, after taking into account the influence of the uncontrolled independent variables. One-way analysis of variance involves only one dependent variable or a single factor. The null hypothesis may be tested by the F statistic based on the ratio between these two estimates:

\[ F = \frac{SS_x / (c-1)}{SS_{error} / (N - c)} = \frac{MS_x}{MS_{error}} \]

Where \( SS_x = \sum_{j=1}^{c} n (\bar{Y}_j - \bar{Y})^2 \)

Where \( SS_{error} = \sum_{j=1}^{c} \sum_{i=1}^{n} (\bar{Y}_j - \bar{Y})^2 \)

\( Y_i \quad = \text{Individual observation} \)

\( Y_j \quad = \text{Mean for category (j)} \)
\( Y \) = Mean over the whole sample, or grand mean

\( Y_{ij} \) = \( i^{th} \) observation in the \( j^{th} \) category

\( C \) = Number of independent variables or groups

\( N \) = Total sample size (\( nc \))

The ‘F’ statistic follows the F distribution, with \((c-1)\) and \((N-c)\) degree of freedom. The ANOVA tool has been deployed to find the difference between demographic profile of employees as independent variables and dimensions of work factors.

1.10.7.4 Structural Equation Modelling (SEM)

Structural equation modelling was used to test the hypothesized model by applying AMOS version 21 (Joreskog and Sorbon, 1993) to covariance matrix. It is used to measure the direct and indirect effect of the dimensions of work engagement like Absorption, Vigour, Dedication, Work Attitude, Work Behaviour and Work Outcomes on employees. The given figure represents the hypothetical model.

Structural equation modeling (SEM) is a tool for analyzing multivariate data that has been long known in marketing to be especially appropriate for theory testing (e.g., Bagozzi, 1980). Structural equation models go beyond ordinary regression models to incorporate multiple independent and dependent variables as well as hypothetical latent constructs that clusters of observed variables might represent. They also provide a way to test the specified set of relationships among observed and latent variables as a whole, and allow theory testing even when experiments are not possible. As a result, these methods have become ubiquitous in all the social and behavioral sciences (e.g., MacCallum & Austin, 2000).

To analysis the relationship between these factors SEM approach (AMOS 21) has been used. SEM approach allows concurrent estimations of multiple regression analysis in one single frame work.
Figure 1.8: Standardized estimates
Figure 1.9: Unstandardized estimates
Table 1.8: Path estimates of structure model

<table>
<thead>
<tr>
<th>Path</th>
<th>Unstandardized estimates</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work attitude &lt;--- Work engagement</td>
<td>1.14</td>
<td>0.123</td>
<td>9.252</td>
<td>0.000**</td>
</tr>
<tr>
<td>Work behavior &lt;--- Work engagement</td>
<td>0.54</td>
<td>0.100</td>
<td>5.804</td>
<td>0.000**</td>
</tr>
<tr>
<td>Work outcome &lt;--- Work engagement</td>
<td>0.58</td>
<td>0.106</td>
<td>5.122</td>
<td>0.000**</td>
</tr>
</tbody>
</table>

**Significant at 1 percent level

The significance test is the critical ratio (CR), which represents the parameter estimate divided by its standard error. The parameter estimate is significant at \( p \leq 0.01 \) and value of C.R is > 2.58. All structural paths among the exogenous and endogenous latent variables are found to be significant.

Findings from total work engagement dimensions provide impressive support for the predicted effect of work attitude. The effects were consistent across work behavior and work outcomes. Mostly strong effects were found for all factors like work engagement and work attitude, work behavior and work outcome.

Above table concludes that work engagement (absorption, vigor and dedication) factors support for the predicted effect of work attitude, work behavior and work outcome. Many studies show that work engagement factors have positive effect on work attitude, work behavior and work outcome. Absorption and vigor factors are the most significant factors of work engagement.
Organizational commitment, career commitment, job involvement and job satisfaction dimensions are significant predictors of work attitude. Among those, Organizational commitment, career commitment, job involvement are the most significant dimensions. Both job performance and withdrawal intentions have significant and positive impact on work outcome factors.

**Table 1.9: Model fit table**

<table>
<thead>
<tr>
<th>Goodness of Fit Statistics</th>
<th>Values</th>
<th>Fit values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi Square Value (CMIN)</td>
<td>114.255</td>
<td></td>
</tr>
<tr>
<td>Degree of Freedom (Df)</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Chi Square / Df (CMIN/Df)</td>
<td>3.686</td>
<td>2 to 5</td>
</tr>
<tr>
<td>Goodness of Fit Index (GFI)</td>
<td>0.960</td>
<td>&gt; 0.9</td>
</tr>
<tr>
<td>Root Mean Square Error of Approximation (RMSER)</td>
<td>0.070</td>
<td>&lt; 0.08</td>
</tr>
<tr>
<td>Adjusted Good of Fit Index (AGFI)</td>
<td>0.930</td>
<td>&gt; 0.8</td>
</tr>
<tr>
<td>Comparative Fit Index (CFI)</td>
<td>0.944</td>
<td>&gt; 0.9</td>
</tr>
<tr>
<td>Normed Fit Index (NFI)</td>
<td>0.925</td>
<td>&gt; 0.9</td>
</tr>
</tbody>
</table>

Browne & Cudeck (1993) study indicates the model fit can be checked by RMSEA which is less than 0.08 has a good fit and less than 0.05 has a closer fit. Chin and Todd (1995) study proposed that for goodness of model fit GFI (Goodness of Fit Index) and NFI (Normed Fit Index) should be above 0.9 and AGFI (Adjusted good-of-fit Index) should be above 0.8. Bentler (1990) study suggest for good model fit CFI (Comparative Fit Index) should be greater than 0.9. The goodness of final model fit has been shown in above table. As per the various model fit statistics indicates that model was good fit.
1.10.7.5 Confirmatory Factor Analysis (CFA)

The Confirmatory Factor Analysis has been used to analyse the reliability and validity of the variables included in each factor. The convergent validity of the factor was assessed by three measures: Item Reliability, Construct (Composite) Reliability and Average Variance Extracted (AVE) (Fornell and Larcker, 1981)\(^2\). Item Validity was evaluated by the size of the standardized factor loading of the variables on their corresponding factors. The loading should be at least 0.60 and ideally at 0.7 or above (Chin, 1998)\(^3\).

The Composite Reliability was assessed on the basis of internal consistency. It is similar to Cronbach’s Alpha. The minimum acceptable level of composite reliability is 0.5 (Gerbing and Anderson, 1988)\(^4\). The convergent validity was assessed with the help of the AVE which is at least 0.50 (Fornell and Larcker, 1981)\(^5\).

In the present study, the CFA has been used to analyze the validity and reliability of variables included in measuring the four dimensions of employee engagement among the employees and the variables related to measure the work factors.

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1.10.8 Limitations

There have been a few limitations the researcher has come across:

- Obtaining the required time from the respondents to seek their responses during their busy working hours was a big challenge. The researcher had to depend upon the store supervisors and managers to gather the responses in distant branches which took a considerable amount of time. Notwithstanding these constraints the researcher could have attempted to seek responses from more number of employees than 10 percent.

- The responses involve a good amount of personal experiences and opinions from the sample employees and it may have taken some special efforts on the part of the respondents to furnish the same.

- Due to the constraint of distance and due to the desire to seek responses from samples from different branches in different regions the questionnaires had to be administered by email / mail to the respondents with remote scope for a personal recording of the responses face to face. It has taken more time than expected for the respondents to send their responses. Further, the researcher had to be in touch with many branch managers and respondents to ensure perfect understanding of all the questions in the questionnaire. Categorization and organization of the data accurately against every attribute for the sample respondents studied and interpreting them has also been a challenge. Even though data quality and accuracy have been ensured, interpretations could have
varied in terms of qualitative parameters and the researcher has attempted to ensure the right interpretations.

1.11 CHAPTER SCHEME

This thesis is organized according to the following chapter scheme:

**Chapter I:** This chapter consists of the Introduction, which again contains the Design of the study, Need for the study, Statement of the problem, Objectives of the study and the Methodology followed.

**Chapter II:** The second chapter consists of theoretical framework and the review of literature.

**Chapter III:** The third chapter covers the significant perspectives of retailing which includes growth and development of Retailing – Global and Indian perspectives, details of manpower in Retailing and a brief case study of employee engagement in FLFL.

**Chapter IV:** The fourth chapter consists of the analyses of the demographic profiles of respondent employees, study of the dimensions of work factors impacting employee engagement using various analytical tools of correlation, Chi square, t-test, ANOVA and a model creation using structural equation modeling.

**Chapter V:** The fifth and final chapter consists of the findings, conclusion, suggestions and provides the scope for future study.