CHAPTER II
LITERATURE REVIEW

2.1 INTRODUCTION

In this chapter, a detailed review of available literature on the subject is made. This chapter is structured into four sections. The first section discusses the various definitions of employee engagement and the second section deals with studies on contextual employee engagement. The third section discusses studies on industries that include manufacturing, entertainment, hospitality, banking, insurance and IT and ITES. The fourth section discusses studies on Retailing. The fifth section elucidates the gap analysis and the research questions arising. The sixth and the final section summarizes the chapter.

2.2 STUDIES ON VARIOUS DEFINITIONS OF EMPLOYEE ENGAGEMENT

Researchers have studied the definition of employee engagement from various perspectives. Employee engagement is defined by Gibbons (2006), 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. 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 & 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.

Kahn (1990) has defined employee engagement as the harnessing of employees themselves to their work roles and express themselves physically, cognitively, and emotionally during role performances. The cognitive aspect of employee engagement concerns employees’ beliefs about the organisation, its leaders and working conditions. The emotional aspect concerns how employees feel about each of those three physical, cognitive and emotional factors and whether they have positive or negative attitudes towards the organisation and its leadership. The physical aspect of employee engagement concerns the physical energies exerted by individuals to accomplish their roles, according to
his study. Thus, according to Kahn (1990), engagement means to be psychologically as well as physically present when occupying and performing an organisational role.

Researchers have expressed similar definitions of employee engagement. Employee engagement has been defined as emotional and intellectual commitment to the organisation (Baumruk 2004, Richman 2006 and Shaw 2005) or the amount of discretionary effort exhibited by employees in their job (Frank et al 2004). Truss, et al (2006) define employee engagement as ‘passion for work’ in simple terms, underscoring passion as a psychological state which is seen to encompass the three dimensions of engagement discussed by Kahn (1990), and shows the convergence of all these definitions. The second genre of definitions studied relate to the concept of ‘job involvement’ and ‘flow’ (May, et al., 2004). ‘Job involvement’ is defined as a ‘cognitive or belief state of psychological identification with the job (Kanungo, 1982). Researchers argue that this may differ from engagement as it may be concerned more with how the individual employs himself/herself during the performance of the job. It may focus more on cognitions but engagement may involve emotions and behaviours additionally. So it is argued that employee engagement is more than ‘job involvement’. Coming to arguments on the concept of ‘flow’ it is defined as the “holistic sensations that people feel when they act with total involvement” (Csikszentmihalyi, 1975). Flow also may relate to cognitive involvement of the employee which is a temporary phenomenon. According to Kahn (1990), employee engagement implies a
longer durational and more holistic involvement in work tasks. According to these arguments it is deciphered that employee engagement is more than ‘flow’. Studies have equated employee engagement with job commitment, job involvement, flow, job satisfaction and the like which are transactional in nature and according to researchers, even a state of emotional involvement does not explain that it may be enduring. Studies say that employee engagement may result from an alignment of the employee’s value systems, aspirations and goals with those of the organization’s and if this alignment is ensured the employee is in a state of engagement with the organization long term.

2.3 STUDIES ON CONTEXTUAL EMPLOYEE ENGAGEMENT

A report by Towers Perrin consulting established that engagement is substantially higher in the non-profit sector than in commercial sectors. This may be consequent to the sense of ideologies and mission commitments with which employees would have been drawn to the sector. This finding is found to relate with the various definitions that identifies ‘passion at work’ as a key driver for employee engagement (Truss, et al 2006, Brim 2002 and Holbeche & Springett 2003). Researchers have studied employee engagement from a manager-employee perspective and have found that engagement also depends on the manager or supervisor. Cufaude (2004) has argued that when managers follow the concept of ‘servant-leadership’, where a manager supports and serves those around them, the environment becomes ‘highly engaged’. Soltis (2004) has argued that in order to create a highly engaged environment
managers must be engaged; “if managers aren’t engaged it is unlikely that employees will respond to any efforts to engage them” Research has shown that employee engagement is based on factors such as the relationship they have with their managers (Blizzard 2003). Yet other researchers have claimed that employee engagement depends on the levels of empowerment in a job and that jobs should fit employees’ interests (Lloyd 2004, & MacDonald 2002).

Personal relationships have also been found to impact employee engagement. Recent research has established that family stress and work-related stress may be interlinked (Moore, 2004, Crabtree, 2005). A Gallup survey of employees studied whether they had three or more days in the past month when work stress caused them to behave poorly with their family or friends. The findings showed that 51 percent of actively disengaged employees said ‘yes’, compared to 35 percent of not-engaged employees and 18 per cent of engaged employees. Studies have shown that gender differences have an impact on employee engagement. It has been found that men experience enrichment from work to family, while women experience depletion from work to family. Gallup’s US research established that women tend to find more fulfillments in their jobs and are more engaged as compared to men (Johnson, 2004).

Gallup’s study showed a difference between ‘single’ employees and married ones. It was found that married employees tend to have a higher level of engagement than single employees. This shows that married employees are more settled in both their personal and professional lives. The study also found that female managers or supervisors tend to have a higher percentage of actively disengaged workers than male managers. Differences in health and
personal values were also found to impact employee engagement where people ‘work to live’, while others ‘live to work’. Different levels of skills, ability and dispositional variables are also expected to impact levels of employee engagement. However, the most important finding is that it is the manner in which people are managed, which is most impactful on engagement levels (Truss, et al, 2006).

The study of Robinson (2006), has shown that employee engagement can be achieved through the creation of a positive organisational environment where emotions such as involvement and pride are supported and encouraged, that results in improved organisational performance, lower employee turnover and better health. West’s trans-theoretical stages of change has shown that when employees as individuals have positive emotions, they are able to think more flexibly, in an open-minded way and they may also have greater self-control, besides being less defensive in the workplace.

2.4 STUDIES ON EMPLOYEE ENGAGEMENT IN VARIOUS SECTORS
2.4.1 Studies on Employee Engagement in Manufacturing

Sarkar (2011) has studied Employee Engagement strategies in manufacturing industries. He has studied employee engagement practices in manufacturing companies like PIX Transmissions Limited, Mahindra and Mahindra Limited, Sanvijay rolling and Engg Ltd (SREL), Shree Baidyanath, Morarjee textiles Limited, Indo Rama Synthetics Limited, Narayana Processed Food Private Limited, Sharda Shree ISPAT Limited and Raymond India Ltd. The study revealed the following:
The predominant factors affecting employee engagement in manufacturing industries are Intrinsic Motivation and Training and Development. Apart from these major ones, factors like Top Management, Manager/Supervisor, Co Workers, Pay, Benefits, HR Policies, Resources, Career Opportunities, Recognition and Physical Work Environment play a significant impact on employee engagement. Most of these factors are shared by HR Managers as having high impact on Employee Engagement. The study has suggested that factors like physical work environment need to be given significant attention as they have more impact on Employee Engagement than what was perceived by the HR Managers.

The other factors that have a good impact on employee engagement as revealed by the study are, rigorous training and development, Idea collection schemes, monthly update on corporate goals and directions, providing growth opportunities, showing employees that they are cared for. The study shows that some of these factors have to be improved further in the manufacturing sector. Collecting of ideas and suggestions alone according to the study does not have good impact. In any impactful employee engagement scenario, the employee ideas have to be implemented so as to recognize the intelligence of the employees. And these employees who contribute with their ideas and feedback are to be recognized and rewarded. This would become part of the Reward & Recognition responsibility of the HR team. Showing the employees that they are cared for also will significantly improve the employee engagement with the organization. Over and above the factors discussed above, some important factors to be considered for better employment engagement are - Regular feedback from employees through a strong Internal Communication Strategy,
Inspiring Work Environment, Intranet Forums, and Strong Induction. Vance (2006) studied the link between employer practices and employee engagement in manufacturing organizations. The study reveals that engaged workforce generate valuable business results for the organization. The process according to the study begins with employer practices such as job and task design, recruitment, selection, training & development, compensation, performance management and career development. Such practices affect employees’ level of engagement as well as job performance.

**Figure 2.1 Job and Task business model of employee engagement**

Employer practices according to the study should take into consideration the workforce’s Personal status on knowledge, skill, attitudes, personality and temperament, then the organization’s Process with respect to tools, equipment, technology, procedures and systems and then the organization’s product and service delivery quality, quantity, timeliness and safety.

The study reveals that the nature of work and employment has evolved through a series of stages. Initially craftsmen and artisans worked in farms and
in workshops. Then as cottage industries arose in which suppliers assembled goods and products for companies, skills evolved. Later people worked for companies in increasingly formalized employment relationships. And today the world of work is characterized by flat and agile organizations that outsource production of goods and services on a global scale. As employers broadened the scope of job responsibilities in flatter organizations, with less management oversight researchers also began looking at the social characteristics of work including inter-dependence of job roles, feedback from others and opportunities to get advice and support from co-workers. Vance’s analysis of work design research revealed that social characteristics strongly influence both employee engagement and commitment of employees.

Humphrey, et al (2006) and Parker et al (2006) have studied job enrichment’s relationship to proactive work behaviours – those self-initiated extra contributions by employees to performance. Findings have showed that workforce who provide enriched work (jobs that are high in meaningfulness, variety, autonomy and co-worker trust) stimulate engagement and enthusiasm in employees. Engagement and enthusiasm encourage employees to define their work roles, which in turn results in workers’ willingness to take ownership of challenges that lie beyond their immediate assigned tasks.

Vance’s (2006) study has also revealed that employee engagement is enhanced by maximizing the person-job fit when the organization seeks employees from within the organization for desirable jobs. The study has found that voluntary contribution behaviours are seen if the right individuals are
placed in the right jobs as a result of following an efficient selection process. The study also finds that training and development help new and current employees acquire the knowledge and skills to perform their jobs and stay engaged in the organization. Compensation components encourage employees to be engaged in the organization according to the study. One of the interesting factors that has emerged out of this study is the positive impact of incentive or pay-for-performance on employee engagement in the manufacturing sector along with the revelation that workers trust that they would be rewarded for good performance. Performance management according to the study can enhance employee engagement.

Studies have thus shown that engaged employees can help organizations generate its desired business results. Different HR practices including job design, recruitment, selection, training, compensation and performance management positively impact employee engagement in the manufacturing organizations.

2.4.2 Employee Engagement in Entertainment Industry

Researchers have studied various perspectives of employee engagement in the entertainment industry. Emmema, et al (2012) have studied the factors influencing employee engagement in India. She studied the factors affecting employee engagement in MGM Corporate and has proposed strategies for effective employee engagement. Her study revealed the following significant factors impacting effective employee engagement in the entertainment sector:
Training and Development for the employees was found to be one of the major engagement factors expected by the employees. This was not given due importance in the organization studied. It was found to have a huge impact on the morale of the employees that it was affecting their emotional connect with the organization and in turn was affecting organizational effectiveness. Lack of proper corporate communication was found to be another area of concern hampering employee engagement with the organization. Lack of internal communication was found to be breeding distrust among employees as they were not able to communicate their grievances and it was resulting in creation of tension leading to industrial unrest. Comfortable physical work atmosphere with adequate work space and transport facilities have emerged as strong engagement factors. Recognition has been identified as a strong factor for engaging the employees with the organization. Along with monetary rewards, swift recognition on the spot is found to motivate the employees more. They felt recognized and their efforts acknowledged. The study revealed that when opportunities from within the organization leading to advancement in their career were offered employees evinced better engagement with the organization. Work life balance and welfare of the family have emerged as influencing factors in retention of employees leading to enhanced employee engagement.

Engagement factors perceived by the employees are job satisfaction, benefits, leadership and employee motivation. The key drivers responsible for employee engagement are job satisfaction, organizational behavior, motivation
and employee welfare. Employees’ expectations of the organization are improved work environment, compensation and benefits.

2.4.3 Employee Engagement in Banking Industry

Carnegie (2013) along with MSW Research has studied the functional and emotional elements that affect employee engagement in the Banking Industry. He studied a sample size of 150 banking employees to understand the factors affecting employee engagement.

The study revealed confidence of employees in their senior leadership, overall satisfaction with the organization and emotional connect with their immediate supervisors as the predominant factors affecting employee engagement. The study shows that employees’ engagement with the organization is stronger when they trust in the senior management’s leadership capability in leading the organization in the right direction. Their trust leads to greater satisfaction which in turn impacts their engagement with the organization. The second most important engagement factor as revealed by this study in banking industry is the employees’ overall satisfaction with the organization. The study also has identified five important variables impacting this satisfaction. They are employees’ satisfaction with senior management, pride with the organization, strong ethics in the organization, values aligning with corporate philosophy and pride arising out of organization’s contribution to the community. In this study, satisfaction with senior management again comes up as an important variable contributing to employee engagement. This emphasizes the critical role that senior management plays in employee engagement.
engagement. The remaining four variables have a common thread - ‘pride in the organization’ and senior management can again play an important role through initiatives enhancing the image of the organization in the community.

Another important factor influencing employee engagement emerged as evinced by this study is the value proposition of immediate supervisor. Banking industry’s smooth functioning depends primarily on people relationship. Supervisors being the intermediary between the top management and the frontline employees, they greatly influence the employee engagement with the organization. This factor is found to be inadequate in banking industry as this supervisory cadre doesn’t leverage on their potential to motivate the employees and in turn contribute to their engagement with the organization. Only 32% of banking employees report that their immediate supervisor has set an example to follow. Lack of trust has emerged as the main concern factor affecting employees’ relationship with their supervisors.

Comparing banking to a larger cross industry study conducted last year, the research shows four major deficiencies in how banking employees view their immediate supervisor’s treatment of associates:
Table 2.1: Banking employees’ view of treatment by immediate superiors

<table>
<thead>
<tr>
<th></th>
<th>Banking</th>
<th>Cross-Industry</th>
<th>Difference</th>
</tr>
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<tbody>
<tr>
<td>Treats me with respect</td>
<td>39%</td>
<td>46%</td>
<td>-7%</td>
</tr>
<tr>
<td>Recognizes my contribution</td>
<td>36%</td>
<td>40%</td>
<td>-4%</td>
</tr>
<tr>
<td>Sets a good example for myself and</td>
<td>32%</td>
<td>36%</td>
<td>-4%</td>
</tr>
<tr>
<td>others to follow</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is interested in me as a person</td>
<td>32%</td>
<td>35%</td>
<td>-3%</td>
</tr>
</tbody>
</table>

*Source: Carnegie (2013)*

Iqbal, et al (2015) studied the impact of rewards and leadership on employee engagement in the banking sector. The study explored the relationship of reward policies to employee engagement, the involvement of reward practices in enhancing employee engagement and the relationship between organizational performance and employee engagement. This study has established that leadership enhances employee engagement when there is positive emotional connect to employees. It has revealed that reward and organizational leadership have a positive effect resulting in a higher level of engagement of employees. The study has established that organizational commitment to reward employees motivates them to work harder within the organization resulting in increased employee engagement. Engagement of employees with their work improves the level of performance. According to the study engaged employees are inspired to support the organization to accomplish its business goals.
Mishra, et al (2013) studied the level of employee engagement in Private and Public Sector banks in India. They identified the factors affecting the perception on employee engagement in the banking sector. The study included a comparative analysis of components affecting employee engagement among public and private sector banks. The study established that five dimensions impacted employee engagement: culture of engagement, talent mindset, organizational reputation and branding, transparency and employee wellbeing and loyalty. In a comparative analysis of all these dimensions the study finds that each dimension has a positive impact on employee engagement. There is continuous communication within the organization with respect to goals and progress and as the information and knowledge are shared within, it has resulted in a culture of employee engagement. The study shows that the sector has defined talent acquisition, retention, and training and development strategies as a management practice to inculcate a talent mindset within organizations. According to the study the leadership and the management ‘walk their talk’ in terms of their behavior to ensure employee engagement in the organization. One of the key factors that is emerged as a driver of employee engagement in the sector is the aspect of pride in employment as a consequence of the bank’s reputation and branding. According to the study organizations are transparent especially when dealing with change, which has a positive effect on employee engagement. The study shows that in the banking sector there is proper work life balance and defined welfare facilities available to employees following their levels and cadres and hence employee wellbeing and loyalty have impacted employee engagement in the sector.
2.4.4 Employee Engagement in Insurance Sector

Anbuoli, et al (2009) has researched the concept of employee engagement in insurance sector. The study showed significant impact of employee welfare measures on employee engagement. Employees have diverse needs and such diversity required flexible and individually directed support which insurance organizations should provide. Rewards and recognition, transparency, employee inclusivity in decision making where the other key factors responsible for increased employee engagement in the sector. The study also showed that there is an association between age and level of engagement. Similarly the higher the experience of employees the more was the level of employee engagement in the sector.

2.4.5 Employee Engagement in the Hospitality Sector

Ncube, Farai., et al (2006) have studied employee engagement in the hospitality sector in Zimbabwe plays a critical role in determining the competitiveness of a company. The research highlighted the determinants of the competitive advantage of two organizations achieved through employee engagement. The findings from both the hotels demonstrated the differences in overall performance between the two organizations. The study has established the link between employee engagement levels and organizational performance. Among the two organizations studied, the one with higher levels of employee engagement has enjoyed a competitive edge with 43.7% market share as compared to the one with lower levels of employee engagement which had a market share of only 17.3%.
Tyagi et al studied how employee engagement is leveraged in the hospitality industry. The study was an attempt to compare two leading Indian Hotel brands in respect to the quality of employee engagement efforts taken by the respective managements and their involvement. The study also focused on the motivational levels of the workplace in providing quality guest services as a result of increased employee engagement. The study established employee recognition as one of the key factors of employee engagement. Higher levels of employee engagement in hospitality sector has positively impacted enhanced levels of service to customers according to the study. The study has found a positive link of reward practices to performance in this sector. The comparative study shows that majority of employees are engaged in their work except a very few who are not engaged. As two organizations in the hospitality sector were compared for their employee engagement level, ITC Hotels and Indian Hotels Company Ltd (IHCL), it was found that the employee engagement initiatives taken by ITC Hotels were more impactful than IHCL even though both had good levels of employee engagement. The factors studied and found as impactful on employee engagement were meaningfulness of work, employee benefits and welfare, training and development, remuneration, culture at work place, inclusivity in decision making and rewards and recognition. The study has found that continuous process of learning, training and development and recognition measures could go a long way in achieving results through thoroughly engaged employees at work.
2.4.6 Employee Engagement in IT Sector

Thakur (2014) studied the effect of employee engagement on job satisfaction in IT Sector. She studied a cross section of managerial and clerical staff in the IT Sector. The study attempted to understand in detail about employee engagement in IT Sector and to determine the effect of employee engagement on job satisfaction. The study revealed that there exists a positive relationship between employee engagement and job satisfaction in IT Sector. She found that in the IT Sector at the clerical level rewards and recognitions are significantly associated with job involvement. The other coefficients she studied were motivation by co-workers, feedback and guidance from supervisor, safe work practices, timely information sharing, understanding work expectations, training opportunities, work life balance, appreciation from team members, welfare and benefit plans, favorable policies and procedures, conducive co-worker relationship, career development opportunities, opinions and ideas contribution, resources to do job efficiently, fair remuneration and compensation and pleasant and cooperative leadership. The study has revealed that the key dependent variable is the factor of positive working environment that leads to job satisfaction which again leads to increased employee engagement in organizations.

Chen, & Francesco., (2000) has found that in the IT industry it has been noted that psychological contracts are changing – the focus is not on job for life but there are many opportunities for employees to be more mobile. Hence the biggest challenge could be retention and motivation in the IT sector in India.
Krishnan, & Singh (2010), researched the outcomes of intentions of Indian IT professionals to quit their organizations. The study explored performance orientation, organizational deviance, organizational citizenship behavior etc as outcomes of intentions to quit. The study established that the intention to quit leads to disengagement as a consequence of less performance orientation, higher organizational deviance and less organizational citizenship behavior. The study has suggested that IT Organizations need to understand that disengaged employees have a high intention to quit which can prove detrimental to the organization from multiple dimensions.

Bhatnagar (2007), investigated talent management and its relationship to levels of employee engagement in Indian Information Technology Enabled Services (ITES) employees. She studied the factors responsible for retention and employee relations. The study established that the level of employee engagement was low at the beginning of people’s careers and at completion of sixteen months within the organization, employees showed higher levels of employee engagement leading to an increase in employee retention. The study indicated three distinct factors of organizational culture, career planning with incentives and organizational support as responsible for increased employee engagement. The lack of first two factors resulted in high attrition in the sector according to the study. This research has suggested that the organization should focus steadily on developing an conducive organizational culture, building well defined career plans with incentives and rewards.
An empirical investigation on employee engagement practices in Business Process Outsourcing (BPO) Industries was done by researchers Thiagarajan, & Renuga Devi (2011). They found that career development, performance appraisal and motivation were the key factors connected to employee engagement. Their study has also established that training and development, career development activities, work life balance and performance improve initiatives were contributing to a positive impact on employee engagement in BPO Sector. One of the key findings of their study is the factor of orienting the leadership on the organisations’ employee engagement initiatives who could share with the employees down the line to make them completely engaged with their jobs to achieve the goals of the organization.

2.4.7 Employee Engagement in Public Sector Undertakings

Researchers have studied various kinds of organizations – public sector undertaking and private sector organizations. Rehman, & Waheed (2011) conducted an empirical study of the impact of job satisfaction on job performance in the public sector organizations in India. They found that employees are generally satisfied with their jobs. Mamta, Baldev (2011) studied employee engagement and its predictors in an Indian public sector undertaking. The researchers made an assessment of the level of employee engagement among managers. The study has identified the predictors of organizational commitment, remuneration and job content having an impact on increased employee engagement.
2.4.8 Study on Employee Engagement Across Sectors

Siddhanta, et al (2010) have studied employee engagement in multiple sectors in India and they have found that engagement depends on four major conditions in the workplace: Organization’s culture, continuous reinforcement of people-focused policies, meaningful matrices and organizational performance. Corporate culture helps an organization to connect with the employees, gives them empowerment in decision making process and develops them to shoulder greater responsibilities. Their study has revealed that continuous reinforcement happens when an organization frames policies which act as facilitator towards accomplishment of goals by the employees and thereby the organization itself. Organizational performance leads to pride, job satisfaction, trust and a sense of belongingness to the organization. When employees have the feeling that they possess the right kind of physical, cognitive and emotional resources they perform their job at optimum level. An organization should also know how to project and communicate the success stories of the organization to the employees. Thus employees are able to relate their individual performances with the success and also understand how their performance has a direct impact on the performance of the organization as a whole. The study has found that this contributes towards enhanced employee engagement. The employees, who perceive their organization to be the best place to work, contribute more. High engagement leads to higher financial performance, higher productivity, higher customer satisfaction and lower manpower turnover. Their study has also revealed that
apart from trust & integrity, career growth opportunities, pride about the company, training & development initiatives, relationship with reporting authority and co-workers, the key factors that contributed to enhanced employee engagement were a culture of respect where good job is appreciated., Feedback, counselling and mentoring, fair reward, recognition and incentive scheme, effective leadership, clear job expectations, adequate tools to perform work responsibilities and motivation.

Ghafoor, et al (2011) studied employee engagement and performance with respect to psychological ownership of employees. The study concluded that leadership, human resource practice and employee engagement significantly affect performance dimensions in the context of psychological ownership. Employee engagement makes employees more responsible and enhances their sense of belongingness towards the organization. The study has supported the direct impact of employees’ satisfaction and a sense of belongingness to the quality of relationship between the employees and the organization. The study has specifically concluded that employee engagement practices develop a sense of ownership in employees who feel responsible for their action, develop confidence in their abilities and develop a sense of self identity and a sense of belongingness to their work and their organization.

Researchers have established that behavioral engagement is more beneficial to organizations in the context of productivity whereas job engagement could be result oriented only if individual employees have job satisfaction to the extent of doing their job passionately. Researchers like
Frarndale, et al (2011) studied the link between performance management and employee engagement in Western multinational corporations operating across India and China. In the study it is found that in China many firms are putting in place more western approaches to human resource management such as performance based rewards, enterprise specific wages and temporary labor contracts but are faced with problems of a lack of skilled managers and high manpower turnover. According to the Towers Perrin Global Workforce Study (2007), Chinese employees see learning and development as crucial elements of a good employer. Another important aspect the study refers to is the work culture of Chinese employees being closely focused on a supervisor-employee relationship where employees conceptualize their employment as the relationship with the manager and see the organization as a whole as an impersonal and abstract entity. So in the Chinese context, supervisor employee relationship is crucial in creating employee engagement (Chen, Francesco., 2000). In India there has been a lack of research in human resource management. As for culture Indian employees do not think of themselves as Indians but they think of themselves belonging to a province or town, speaking diverse languages. These characteristics are significant in the work place since as a result individual employees may seek to flock together in small groups to identify with. The employee loyalty in India unlike China is towards the organization and not to the supervisor.

Extensive research has been done on employee engagement in various industry sectors. Co-relational studies have tested links between job satisfaction
and employee engagement, job performance and employee engagement, rewards and recognitions and employee engagement, conducive organizational culture / climate and employee engagement, positive coworker relationship and employee engagement, compensation, benefits and employee engagement, conducive policies and procedures on employee engagement, able supervisory leadership and employee engagement, good training and development and employee engagement, etc. These studies have shown the above factors as the impacting factors on enhanced employee engagement in organizations. In the manufacturing sector studies have revealed.

Some common factors also may emerge in our study on Employee Engagement in Retail Industry. Both the industries being people intense industry, identified factors like Intrinsic Motivation, Training and Development, Comfortable Work Environment and strong Internal Communication Strategy also could be similar factors. These may emerge as common factors for retail industry as well.

Motivation and Learning & Development have emerged as strong employee engagement factors in both the study – in manufacturing industry and entertainment industry. There seems to emerge a convergence of factors in the contribution to the enhancement of employee engagement as revealed by these studies. Good HR practices lead a great deal to impacting employee engagement positively among workforce. It will be interesting to see whether these genres of factors are going to be strong engagement factors in retail industry as well.
It is interesting to note that the factor of pride in employment as a consequence of the bank’s reputation and branding has emerged as a key driver of employee engagement in the banking sector. Among the polarity of factors and drivers of employee engagement in other sectors, the banking sector stood unique with the impact of pride of the brand of bank employees work for that enhanced employee engagement levels. Many banks in India have undergone a change in terms of their branding and image and this may be reason why this factor has impacted employee engagement much. Transparency in communication down the line by the leadership in banks also has emerged as a significant aspect that impacts higher levels of employee engagement in the sector. So, it is clearly the employee inclusivity in effecting changes in organizations that satisfy them and to be engaged employees. Employees in the banking sector are satisfied with their working hours that have resulted in conducive work-life balance and this aspect also has emerged as a key contributor to achieving higher levels of employee engagement. It may be interesting to study how brand image could impact employee engagement in retail among all the other factors that have emerged in the banking sector.

The study made in the Insurance sector showed that there is an association between age and level of engagement - higher the experience of employees the more was the level of employee engagement in the sector. The correlation between age and employee engagement was a significant factor to look into in the context of employee engagement in organizations. Younger employees may not have had the learning to experience growth in the
organization and so loyalty could be at low ebb leading to increased attrition levels. The retail sector in India is a growing one with a comparatively less average age among all other sectors and also the sector is affected by high attrition rates. Hence the correlation of age and employee engagement may be interesting to explore.

The hospitality industry is very similar to retail sector as a result of both being service oriented. Both sectors are engaged in directly serving customers without any intermediaries. The factors studied and found as impactful on employee engagement in the hospitality sector were meaningfulness of work, employee benefits and welfare, training and development, remuneration, culture at work place, inclusivity in decision making and rewards and recognition, all of which may emerge as significant and relevant ones for retailing as well. The study on the hospitality sector has found that continuous process of learning, training and development and recognition measures could go a long way in achieving results through thoroughly engaged employees at work. There may be polarity in these factors also as continuous training and performance linked pays are common for all levels of employees in retailing also.

Disengaged employees show high levels of disassociating from the organization in the IT sector in India. Work-life balance has emerged as a major factor of impact on employee engagement in IT & ITES. Retailing has long working hours. Week-ends are working days when all other sectors except the hospitality sector would enjoy holidays. It may be interesting to understand how work-life balance is going to impact employee engagement in the sector.
The quantum of succession planning done for all levels of employees may result in good career development of employees. When organizations undertake performance improvement initiatives they would result in increased employee engagement as shown by studies in the IT & ITES sectors. One would like to see if polarity or convergence of factors would emerge in Retailing as compared with all other sectors studied or if any unique factors that may impact employee engagement would emerge. The nature of the Retailing sector being customer oriented with the delivery of products and services directly to customers and face-to-face, the research may indicate a few significant findings that would contribute to employee engagement.

2.5 STUDIES ON RETAILING IN INDIA

In a study of the retail sector by Gallup organization it has found that there is a critical link between employee engagement and customer loyalty, business growth and profitability. The study compared the scores of these variables among a sample of retail stores scoring in the top 25 per cent on employee engagement and customer loyalty with those in the bottom 25 percent. Stores in the bottom 25 percent significantly under-performed across three productivity measures: sales, customer complaints and turnover. Gallup study includes numerous similar examples. The International Survey Research (ISR) team has similarly found encouraging evidence that organizations can only reach their full potential through emotionally engaging employees and customers (ISR 2005). A study of employee engagement and employers’ engagement at the malls was done by Sonawane (2014). He has found that
employees are an asset to retail malls and the need for self motivated and engaged employees is high. Malls seem to have challenges to retail intellectual capital and according to study this could be achieved through only employee engagement. The study confirms that energized and passionate people are engaged employees. And the study shows a positive relationship between energy and passion and employee engagement in malls in India.

Goud et al, (2014) have studied employee engagement from the context of gender diversity and team work in organized retailing in India and they have established the need for retailers to engage employees continuously through employee friendly policies and employee empowerment. They have found that there is no significant association between gender and loyalty and no significant association between co-worker support and teamwork in the context of employee engagement.

2.6 GAP ANALYSIS & RESEARCH QUESTIONS ARISING

From the literature review made for this study, it is found that 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 employee engagement initiatives in large organizations in India has eluded many researchers. A study of employee engagement in Future Group’s FLFL with so many of its employees will be of great significance to study and the results may help organized retailers to establish the right employee engagement practices. Employee engagement is more challenging in bigger companies than it is in
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.

The studies on the various definitions of employee engagement provide a deeper understanding of the subject of engagement of employees in an organization. Though there is polarization of definitions of employee engagement there is no single and definitive meaning for employee engagement. Researchers have argued that employee engagement is about the consequence of interlinked factors related to behavioral, cognitive and emotional attachment of employees with organizations. Khan’s (1990) research has clearly argued that employee engagement implies a longer durational and more holistic involvement in work tasks. Research studies have shown that leadership and co-worker environments have impacted employee engagement. Further from the literature review, we find that various employer initiatives built around the behavioral, cognitive and emotional areas have resulted in changed employee engagement levels. Many research studies have shown that individual factors have made an impact on higher levels of employee engagement in organizations. Gallup’s survey has clearly shown that factors relating to individuals such as personal relationships have impacted employee engagement. Individual stress levels have been found to impact employee engagement. Various studies have shown that a convergence of factors has emerged in multifarious business sectors in India.

In the present context of the study of employee engagement in India, organizations show a polarized mix of employee engagement initiatives undertaken. Employee engagement has emerged as a very significant aspect
contributing to the growth of organizations in India. Retailing is yet at its nascent stages in India and employee engagement initiatives may impact the growth of retail organizations in India in a large measure. It's found that very limited study has been done with reference to employee engagement in organized retailing in India. This study may seek to find patterns and trends of factors impacting employee engagement in retailing in India with specific reference to the organization chosen for the study, Future Group’s FLFL. From the review of literature it is evident that the study of employee engagement in retailing may have many ramifications. The above literature review and gap analysis helped to identify and translate the research problems into the following research questions:

1. Is such organized retailing in India following any trends and patterns of employee engagement?
2. Are there any factors that may impact employee engagement in retailing? If yes, what could be their major influences?
3. What could be the key factors influencing individual and groups of employees in their engagement with the organization?
4. Are there any factors contributing to employee engagement emerging common among employees in retailing with those in other sectors as studied by earlier researchers?
5. What are the employee engagement initiatives undertaken by the organization and how effective are they? What are the levels of employee engagement impact against each initiative undertaken by the organization?
6. How are such employee engagement initiatives perceived by the employees?

7. What will be the strategic and managerial implications of employee engagement on the future growth of the organization and retailing in India?

An attempt will be made to find answers to these questions arising which will eventually have implications for the human resource practice in the current organization and in firms in the organized retail sector in India.

2.7 SUMMARY

This chapter has dealt with a literature review of the various studies done in employee engagement. Beginning with an analysis of the studies done based on the definitions of employee engagement, the chapter elucidated on contextual employee engagement. Studies on employee engagement in various industries have been analysed and the chapter shows the various factors impacting employment engagement in organizations in many industry sectors across the Globe and in India as well. The sectors studied include manufacturing, entertainment, hospitality, banking, insurance, public sector, IT and ITES and retailing. The gap analysis and the research questions arising have been discussed in the concluding part of the chapter. The research questions arising out of the gap analysis clearly show that research needs to be done in the current context of employee engagement in retailing in India. The various significant retail perspectives including manpower in retailing in India will be elucidated in the ensuing chapter.