

## **A Correlational Study of Retail Enterprises of Employee Engagement and Organizational Performance**

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### **ABSTRACT**

In this retail business research, we look at how employee engagement relates to company success. With the use of structured interviews, data was gathered from 110 retail organization workers utilizing a descriptive and correlational study methodology. Organizational performance was graded as either good or unsatisfactory, and employee engagement was scored on a five-point scale. We used SPSS's descriptive statistics and Pearson's correlation to examine the data. According to the results, employees are moderately to highly engaged, especially when it comes to topics like work control, resource availability, and corporate image. Rewards, recognition, and meeting individual needs, on the other hand, exhibit far lower levels of involvement. Organizational performance seems to be inconsistent, with better performance in terms of job satisfaction and worse performance in terms of work assignments, peer relationships, and stress at work. Depending on one's level of work happiness, there are positive or negative correlations between engagement and performance.

***Keywords:*** *Engagement, Performance, Retail, Satisfaction, Retention.*

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### **I. INTRODUCTION**

In retail, where day-to-day contacts with customers and service quality directly impact organizational results, employee engagement is crucial to the success of the business. The degree to which retail workers are invested in their work has a direct impact on the satisfaction of customers, the success of sales, and the effectiveness of the company as a whole.

The term "employee engagement" describes how invested, enthusiastic, and emotionally invested workers are in their job and the company they work for. Retail workers who are enthusiastic about what they do are more likely to go above and beyond to satisfy customers, find creative solutions to issues, and meet or exceed sales goals. Aside from boosting individual performance, this optimistic outlook also helps keep things running smoothly in the shop and fosters stronger collaboration.



Organizational performance in retail enterprises is reflected through various indicators such as sales volume, customer satisfaction, repeat customer rates, profitability, and employee retention. Employee performance has a direct bearing on these results, particularly for those working directly with customers, where the quality of service they get is a major difference.

Employee engagement and organizational success are strongly correlated in the retail industry. When workers are appreciated, encouraged, and inspired, they are more likely to go above and beyond in their work. Because of this, customer service becomes better, which makes customers happier and more loyal. Increased sales and overall company growth are the results of happy consumers who are more inclined to shop there again and tell others about it.

High staff turnover and absenteeism are prevalent problems in the retail industry, yet engaged workers may help alleviate these problems. Staff members who have a sense of belonging at work are less inclined to choose other employment opportunities, saving money on turnover and training. The reliability of the service and the smooth running of the shop are both enhanced by this constancy.

Furthermore, a more favorable atmosphere in the workplace is fostered by employee involvement. During busy times, employees who are happy and fulfilled are more likely to work together, communicate clearly, and support one another. Cooperation like this boosts productivity, which in turn guarantees that clients get high-quality service when they need it.

Employees who are invested in their work are also more likely to be receptive to new information and ways of doing things, whether it's sales tactics, customer service procedures, or technological advancements. This flexibility allows retail firms to stay ahead in a market that is always evolving.

## **II. REVIEW OF LITERATURE**

Jaman, Sada et al., (2022) Retail companies are becoming more concerned about employee disengagement as a means to increase production. American stores lose almost \$96 billion in sales every year. Applying transformational leadership theory to the retail business, we conducted this qualitative multiple case study to get a deeper understanding of the approaches needed to increase employee engagement and productivity. Results from in-person, open-ended interviews with four executives from Eastern US retail companies who have observed this problem revealed three major elements. The most commonalities were the following: working together, growing one's career, and keeping a good work-life balance. Increasing labor productivity, guaranteeing financial stability, and encouraging employee involvement were the three overarching themes that emerged from the results, all of which were rooted in the concepts of transformational leadership. Future leaders may improve staff productivity and financial stability by using transformational leadership practices, according to the research. Workers' well-being, their ability to provide for themselves financially, and the community as a whole will all be positively affected by this.

Khwaja, Ahmed et al., (2022) Due to the frequent one-on-one interactions between consumers and retail service workers, employee engagement in this sector may have a significant impact on customer happiness and loyalty. Using a one-of-a-kind data set from a major automobile rental firm, this research analyzes the correlation between engaged employees and happy, returning customers.

We account for age-related retirement-induced staff turnover as an exclusion criterion in our research, which allows us to see how employee engagement varies, which is partly beyond the control of the common underlying variables that affect customer satisfaction and retention. Customer happiness and loyalty are positively impacted by staff engagement, as we demonstrate. Staff engagement may have its limitations brought to light by further research into moderating effects; for example, service interruptions such as automobile downgrades might mitigate the benefits of staff engagement. Employee involvement may be an important component in developing resistance to unexpected service interruptions, even if it has a muted effect. Nonetheless, the total effect is still beneficial.

Makhija, Priya et al., (2022) The use of internet marketplaces is common among large-scale businesses. There are a lot of issues, however, that make these corporate chains less efficient when taken together. This research found that the marketing performance of modern retail trade in India is significantly impacted by the introduction of new services and people management. The purpose of this study is to investigate the relationship between service innovation, staff engagement, and the marketing effectiveness of modern retailers. Customer service and a focus on the market mediate the linkages among service innovation, employee involvement, and marketing effectiveness. Marketing effectiveness, staff involvement, and new service development are all correlated. The results of this research are based on primary data gathered from 370 marketing managers in India, who work for various companies and brands.

Kaur, Davinder et al., (2019) Employee involvement is becoming more popular around the country. Employees' level of dedication to the company's success is a key factor in its production. It is directly and indirectly impacted by a great deal of things. As the retail business in India undergoes tremendous growth, studies examining the factors that impact employee engagement in this sector are gaining significance. Team, organizational, and job characteristics will be evaluated in this article to contribute to the current research on employee engagement. These variables have a major effect on retail employee engagement in India, according to the results. Therefore, it is critical to provide workers with opportunities to contribute to decision-making and express gratitude for their efforts if you want to build a higher level of employee engagement.

### **III. METHODOLOGY**

Using a non-financial lens, this research looks at how employee engagement relates to organizational success. The overarching goal is to determine the impact of involvement on performance.

#### **Research Design**

The study gathered empirical data by examining connections among variables using a descriptive and correlational research approach. The percentages represent the participant's answers that were grouped using a nominal scale. Both organizational performance and employee involvement were evaluated using a 5-point scale: acceptable, unsatisfactory, little, moderate, and highly committed.

#### **Targeted Population and Sample Size**

Staff members from 20 different retail establishments, including mini-supermarkets, apparel stores, restaurants, gas stations, and guesthouses, were the subjects of the research. Individuals from each company were selected from a pool of 110 using a combination of convenience and selective sampling techniques.



**Data Collection and Instrument**

Data collection for the research was carried out using a structured interview technique. There were two parts to it: an evaluation of organizational performance and an evaluation of employee engagement.

**Data Analysis**

To make interpretation simpler, participant answers were encoded and analyzed using SPSS.

**IV. RESULTS**

**Employee Engagement**

**Table 1: Employee Engagement**

<b>Engagement Parameters</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
Control over the Job	45	32	14	6	1
Availability of tools and resources	39	32	17	1	0
Recognition for performance	6	27	56	3	1
Provision of fair rewards for work	6	11	35	28	12
Recognition of ideas and suggestions	18	24	43	0	0
Importance to individual needs	7	19	46	18	3
Employee commitment to activities	17	32	28	10	3
Refer to a friend or colleague	14	38	38	5	0
Image of the company (industry)	26	21	41	5	0
Image of the company (community)	31	41	14	5	0

Personnel involvement ranges from modest to high. Employees are highly invested in their work, the company's resources, and their reputation. There is room for development, nevertheless, in areas such as individual needs, incentives, and recognition, which have comparatively lower ratings.

**Organizational Performance**

**Table 2: Organization Performance**

<b>Performance Factors</b>	<b>Male</b>	<b>Female</b>	<b>Frequency</b>	<b>Percent</b>
Work Assignment – Satisfactory	21	20	41	37.3
Work Assignment – Not Satisfactory	45	24	69	62.7
Relationship with Peers – Satisfactory	21	23	44	40.0
Relationship with Peers – Not Satisfactory	45	21	66	60.0
Work-related Stress – Satisfactory	28	24	52	47.3
Work-related Stress – Not Satisfactory	38	20	58	52.7
Work-life Balance – Satisfactory	34	20	54	49.1
Work-life Balance – Not Satisfactory	32	24	56	50.9
Job Satisfaction – Satisfactory	55	14	69	62.7
Job Satisfaction – Not Satisfactory	11	30	41	37.3



Organizational performance is found to be mixed, according to the data. There is room for growth in job satisfaction, which shows relatively high levels of satisfaction, and in work assignment, peer relationships, stress, and work-life balance, where a greater number of respondents indicate unhappiness.

**Relationship between Employee Engagement and Organizational Performance**

**Table 3: Relationship Between Employee Engagement and Organizational Performance**

<b>Engagement Parameters</b>	<b>Work Assignment</b>	<b>Peer Relationship</b>	<b>Work Stress</b>	<b>Work-life Balance</b>	<b>Job Satisfaction</b>
Availability of tools and resources	—	—	—	—	0.326**
Provision of fair rewards for work	0.227*	—	—	0.287**	0.403**
Recognition of ideas and suggestions	—	—	—	—	-0.647**
Importance to individual needs	—	—	—	—	-0.543**
Employee commitment to activities	—	—	—	—	0.486**
Refer to a friend or colleague	—	-0.323**	-0.233*	—	0.242*
Image of company (industry)	—	—	—	—	0.477**
Image of company (community)	0.238*	0.290**	—	—	-0.391**

(\*p < 0.05, \*\*p < 0.01)

Employee engagement and organizational performance are shown to have both positive and negative correlations. Job satisfaction is positively correlated with things like rewards, dedication, and corporate image, and negatively correlated with aspects like idea recognition and individual demands. It may be inferred from this that enhancing critical interaction areas can lead to better overall performance.

**V. DISCUSSION**

Employees demonstrate a strong level of dedication in areas such as job control, resource availability, work activities, and corporate image in the community, according to the findings from Table 1. Rewards, recognition, individual requirements, and the company's reputation in the sector all show modest dedication, which might be improved. According to Table 2, the overall performance of the company is not up to standard, especially when it comes to tasks like work assignment, relationships with coworkers, and stress on the job. Workers value personal stability more than organizational success as a whole, as the only outcomes that are relatively better are job satisfaction and work-life balance. According to Table 3, there is no clear correlation between engaged employees and high-performing organizations. While there are a number of elements that contribute to a happy work life, the lack of proof that engagement boosts productivity calls for more effective management techniques and initiatives to include workers.

## VI. CONCLUSION

Ultimately, the success or failure of retail businesses is greatly influenced by how engaged their employees are. Customer service, sales, and operational efficiency all take a nosedive when workers aren't fully invested in their work and show greater levels of drive, accountability, and dedication. Employee demeanor and conduct have a disproportionate impact on shoppers' happiness and devotion in retail settings due to the frequency and impact of consumer interactions. Common organizational difficulties like employee turnover and absenteeism may be mitigated with a highly engaged workforce. As a result of this consistency, retail firms may save money on training and recruiting without sacrificing service quality. In addition to increasing output and collaboration, an engaged workforce fosters a friendlier and more cooperative workplace. Companies with more invested workers usually have greater success, since there is a strong correlation between employee engagement and company performance. There are a lot of moving parts when it comes to retail performance, but one of the most critical components for sustained success is staff engagement. Recognizing employees, having supportive leadership, giving chances for advancement, and keeping a healthy working environment are all ways that retail businesses can prioritize to increase employee engagement. In addition to helping workers, increasing engagement boosts the company's bottom line and gives it an edge in the retail industry.

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