

Employee engagement and its impact on workplace happiness with reference to selected retail outlets in Bengaluru – An emperical study

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Abstract

There has been a long history of human striving for happiness. Similarly, organizational researchers have long pursued the topic of individual subjective well being (SWB) under a variety of labels like satisfaction or positive affect at work. There are also applied reasons for our interest in happiness. One of it is Business outcome measures are assessed including customer satisfaction, employee performance and employee happiness.

This paper is a research conducted in selected retail outlets in Bangalore. The purpose of this study was to define and assess workplace happiness by developing the Workplace Happiness Index (WHI), a new measure of the worker-work relationship. The WHI was used to identify and then interview high- and low-workplace happiness individuals in order to gain a deeper understanding of what it means to have a high or low level of this attribute. The research is done with an objective of finding out the relationship between the happiness index with different variables like employee engagement, performance of the company

Key Words: Engagement, Employee Performance, Organizational Effectiveness, Workplace happiness index.

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1. INTRODUCTION:

The movement to track happiness as a measure of societal functioning is based on a long history that spans multiple philosophical traditions (Kesebir & Diener, 2008). Starting in ancient Greece, Aristotle's (2000) Nichomachean Ethics centers around the pursuit of happiness. The Dhammapada, from India, devotes a chapter to the topic of happiness, and describes the ultimate end of a virtuous life as the attainment of lasting happiness ("Dhammapada," 2000).

Employee happiness is an increasingly relevant and necessary consideration in the modern workplace. Happiness at its simplest level is perhaps ultimately about personal happiness - feeling good and living safely and healthily. This means not allowing work to undermine our basic purposes and needs in our lives, and by extension those of our families and loved ones. In this respect well-being is a hugely significant aspect of our work and careers. Many facets of work do not necessarily impact on our core life needs. This cannot be said for well-being and stress, whose implications run very deeply indeed - mind, body and soul.

One of the biggest investments a company makes is in its employees; promoting employee satisfaction ensures a maximum return on this investment. Today's organizations should make sure employees are happy and satisfied with their jobs is more than a kind gesture. Quality employee engagement has a very significant impact on an organization's bottom line. Content employees are not only generally more productive, but they also facilitate higher customer satisfaction and increased profits.

2. HAPPINESS INDEX & EMPLOYEE ENGAGEMENT

This paper presents an overview of some research demonstrating a link between employee perceptions of the service organization for which they work and customer perceptions of the service quality they receive from those same organization. Customer service is defined as a supplement to a tangible (product) or an intangible (service) core offering and is offered free of charge to customers. For instance, in the case of retail services, customer service or supplementary services could include the facility for receiving the customers with a smile, asking whether they can help you and preparation of selling reports, and so on. Customer service is the lifeblood of retail business. Providing superior quality service to customers is critical in the retail industry and this cannot be achieved through employee satisfaction alone; it requires employee engagement. The level of commitment and involvement a healthcare

organization's employee has towards his/her organization and its values is termed as employee engagement. **Better leadership and motivational practices would strengthen employee engagement in work, in turn improvising the quality of customer service.**

To measure the link between happiness and engagement, two measures of engagement can be selected: how much employees care about the success of their organization, and how much they feel they personally contribute to their organization's success. There is a clear link between happiness at work, and how much people care about the success of the organization. There is a lesson for business. If employers treat their staff fairly and ensure good lines of communication it will help them feel happier which in turn encourages them to give more discretionary effort. Likewise, as demonstrated below, it is quite clear that those who are less happy at work care less about the success of the organization.

3. REVIEW OF LITERATURE:

HRM has evolved from a number of different schools of thought and is best described as a loose philosophy of people management rather than a focused methodology. The value of this research is in its ability to recognize the organizations empowered people, who are the most important drivers of customer satisfaction in a retail organisation. Human Resources Management (HRM) plays a central role in the exchange relationships between the organisation's management and its employees. Work has been organized for a very long time and many issues we find today have been addressed in the past. But each generation finds solutions that fit the culture and beliefs of the time. Ultimately, it is an organization's **empowered people** who can help an organization achieve its goal.

3.1 HRM and Customer service

Quality is often established in real-time encounters between employees and customers in services, therefore quality is a function of HRM that has placed the right type of people in customer services positions. The service practices apparently associated with this correlation are described, concentrating on HRM's role in creating satisfied employees who are motivated and able service providers Bowen and Schneider (1988).

The importance of customizing HRM practices to fit a specific market segment is highlighted in this research. Lalonde and Zinszer (1976), defined customer service as those activities that occur at the interface between the customer and the corporation which enhance or facilitate the sale and use of the corporation's products or services. Customers usually call a business when they need a solution to a problem and secondly when they want to feel special in some way. Several important factors that make a customer feel special are discussed in the following.

3.1.1 One of the most important aspects of customer service is **speed of responding to a customer query**. The fast query service adds value, and speedy follow-up shows empathy. Also, speed often costs nothing but has to be designed into the processes. Fast responding is a distinct source of competitive advantage, especially when some customers are prepared to pay a premium price for quality products to be delivered at exceptionally quick time.

3.1.2 Personal interaction with a customer is another important aspect of customer service. It is important to get to know all customers, and to give them full attention. Even the minor things regarding a customer such as likes and dislikes, hobbies and interests do make a difference since this adds new dimensions and richness to the relationship. **The risk of defection is considerably reduced when a customer is made to feel special due to the truly personalized service.** Here, positive, transparent communication (encounter) plays a vital role. In particular, courtesy, politeness and manners are keys to building trust, respect and loyalty.

3.1.3 Information and keeping the **customer informed** is another dimension of customer service. One of the most important ways of making a customer feel special is to keep them informed of all changes taking place. For example, the customer should be kept informed in case of any queries, about the delivery of a product and the status of a product if it is being manufactured. Also if the customer is awaiting some information or change, they should be always kept up-to-date on the status of their request. On the other hand, follow-up efforts should also be made regularly, to elicit customer feedback.

Ensuring effective two-way communication with the customer ensures more sales and greater customer satisfaction.

3.1.4 Another important aspect of customer service is **customer expectations**. Customer expectations differ from customer to customer, so that it is important to discover what the customer's expectations really are. In this context, it is very important to make promises only when one is sure that they can be delivered, and to deliver with high quality. This establishes clear expectations, and the goal should be to exceed them. In particular, quality should be the number one priority, and should be an organization-wide responsibility. This underlines the importance of a good quality management system in delivering customer service, involving establishing customer-focused standards of performance, simplifying of procedures to reduce errors, standardizing systems to ensure consistency, and understanding the processes to pre-empt all problems.

3.1.5 Complaint handling is another important area of customer service is. In fact, complaints are opportunities to improve service, involving creativity and commitment. The people who complain are the people who want to stay customers and are looking for reasons to do so. It is important for businesses to be proactive on customer service issues, not reactive. This enables businesses to turn complaints into opportunities.

The development of long-term relationships is identified as a part of customer service. A customer will feel special if he/she is rewarded for maintaining a long-term relationship with a company. Studies have shown that many people who have got used to a certain way of being served by a company will not defect to a competitor since the human mind likes to maintaining the same patterns over longer period of time. This explains why some very poor companies continue in business even with very poor service levels. But a business cannot afford to be complacent. Statistics show that 68% of customers switch away if those serving them are indifferent to their needs. In fact, every year businesses typically loses 10%-50% of their customers, and the business does not know who they are.

Employees have a direct bearing on customer service. Providing superior quality service to customers cannot be achieved through employee satisfaction alone; it requires employee engagement. The level of commitment and involvement an employee has towards his/her organization and its values is termed as employee engagement. The key factors in engagement are alignment of employees toward strategy, enabling employees to have the capability to engage themselves, and creating the sense of engagement, i.e. creating the sense that individuals are a part of a greater entity.

4. RESEARCH METHODOLOGY

According to an old saying, “You will be rightly judged by what you do, not what you say.” It is necessary for employees of today’s retail industry to bring out the best in their traits and behavioral process to enhance customer service, and this leads as stepping stone to innovation. The present study is exploratory in nature, covering issues in HR in the retail industry, quality of service, employee engagement, employee satisfaction, and innovation. The objectives of the study are:

a. Objectives of the study

- ✓ To identify the factors leading happiness in the retail outlets
- ✓ To find out the current practices of catering happiness at Retail outlets.
- ✓ To know the gaps of happiness in Retail outlets.
- ✓ To find out impact of the happiness index on employee Engagement at Retail outlets.

b. Research Design

The study is both Exploratory and Descriptive Research. An attempt is made in this research to identify the variables which determine the Employee Happiness index at some Retail outlets in Bangalore. The study can be further regarded as Descriptive as it would involve the evolution of various alternatives in the direction of identifying various prospects to improve the satisfaction & happiness level of employees at such retail outlets.

c. Sampling design

• Population

The Population for the purpose of the study includes the entire employees of Retail outlets in Bangalore.

• Sample Size 100

Justification: The total number of employees at 20 outlets selected is 400. As the employee commitment must be counted at whole organization the sample size is taken 25%

i.e. $400 * 25 / 100 = 100$

- **Sampling Method**

The sampling method of research is a convenient & snowball sampling. It is a convenient sampling because the researcher could not get a chance to take the response from all the employees due to the restrictions from the outlets. Snowball sampling because the reference is being given by the respondents themselves.

d. Data collection

Primary data collection

Primary data were collected using a structured questionnaire of the Oxford Happiness Index which was administered to the different employees at outlets in Bangalore.

e. Data Analysis

The collected data are tabulated and analyzed. Some statistical tools like Correlation Analysis is also used to determine the inference. Further hypothesis is formulated and tested using the tests like: Chi-square and ANNOVA.

5. RESULTS AND DISCUSSIONS

The scoring of the scales is done according to the respective manuals of Oxford happiness index. The weighted average mean was used to analyze the obtained data. Further one way ANOVAs is performed in order to check the internal consistency of responses across the groups of statements.

The level of significance for all the above mentioned statistical interventions is $\alpha = .05$

- It was found that employees are happiest working for smaller organizations with between 20 and 100 staff. Eighty-six percent of these employees (the respondents) claim to be happy.
- 65 per cent, those aged 45+ are the happiest employees, possibly because they have reached the pinnacle of their career. The next happiest age group is the under 25s at 20 per cent, who are no doubt excited as they start to build a career. Those who are least happy are employees in their 30s (10 percent) who face the prospect of working for at least another 15 years. They are also more likely to have more financial burden due to caring for both children and elderly relatives so job security may be more significant than happiness at work.
- Women feel happier at job than men. 82 per cent claim to be happy in their jobs compared with 78 per cent of men.

- The responses of the employees about the statement “I’m being treated fairly” ” which ranges from 1 (Strongly disagree) - 7(Strongly agree), the weighted average mean of 100 respondents on the above mentioned statement is found to be 1.9 which is less than 4, Which means the employees are highly dissatisfied in the life. So it is interpreted that they need some fair treatment in their work life.
- The responses of the employees about the statement “I’m happy as long as I feel the organization values me and is committed to me as an employee”” which ranges from 1 (Strongly disagree) - 7(Strongly agree), the weighted average mean of 100 respondents on the above mentioned statement is found to be 3.77 which is less than 4, which means the conditions of employees are not found to be good. They are not satisfied with their employers.
- For the set of questions representing work place happiness, the ANOVAs value of 0.24. It reflects that the responses are internally consistent across the questions. Which means that the employees are not happy with the way they are being treated in their organization
- The happiness index is 6.5 out of 10, where very happy = 10, fairly happy = 6.5, somewhat unhappy = 3.5 and very unhappy = 0. The index is calculated by scoring each of the respondents against their range of responses in an online questionnaire, to measure their relative degree of happiness. One quarter of employees describe themselves as “very happy” at work. Around half the workforce (56 per cent) are “fairly happy”.
- Seventy-three per cent of people cite relationships with colleagues as being the key factor in happiness at work.
- Lack of communication from the top was seen as one of the biggest causes of unhappiness.

Acme Intellects

6. SUGGESTIONS TO ENCOURAGE GOOD WORKING RELATIONSHIPS:

- Foster interdepartmental communication and working, giving employees opportunities to share ideas and experiences
- Encourage face-to-face communication where appropriate, so that colleagues have more worthwhile discussions than email alone allows
- Encourage a culture where people can express feelings
- Learn to listen effectively and without judging, this will help you understand your colleagues better
- Ensure no staff member is working in isolation but feels supported and involved in the business
- Treat all team members with respect and be aware of cultural sensitivities
- Provide opportunities for socialising outside of work e.g. family days. This will help employees relate to each other and may help with conflict resolution in the workplace
- Discourage cliques. Although it is healthy for colleagues to form friendships, cliques can fuel office politics
- Put positive working relationships at the heart of your business culture by including it as a corporate value
- A good corporate social responsibility plan will give staff the chance to work together on non work-related projects that also benefit the outside community
- Communicate well and often, and ensure a supportive attitude

7. CONCLUSION :

It is found that it's not difficult to see that employees who judge themselves to be 'happy' in their work, will be more productive and perform better than those who admit to being 'unhappy'. Though a happy employee is not necessarily an engaged one, there is a striking correlation between what makes employees happy and what engages them. Business outcome measures are assessed including customer satisfaction, employee performance and employee happiness. Both statistical (regression analysis/pvalues) and qualitative analysis are used retrospectively on data collected over three years. Trends in the statistical data, leadership feedback and responses from a "Happiness Index" establish several themes including: (1) happiness and performance tend to move in the same direction, (2) high performing employees produce satisfied customers, and (3) happy employees result in satisfied customers. The small sample size, retrospective nature of the analysis and lack of a longitudinal approach cause the results and conclusions to be constrained.

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