

**A STUDY ON LINKING ORGANIZATIONAL RESOURCES, WORK
ENGAGEMENT AND SERVICE CLIMATE AT FASHION RETAILS OF
KOCHI.**

INTRODUCTION

Organizational success and its contributors are emerging with changing times and business complexity. Most managers agree that positivity is something that they value in their personnel. One such contributors for the survival of any business organization today have been recognized as OR and WE. Work motivation comprises of a series of valuations such as whether or not to engage in a behavior, how much to put forth, and how to control behavior once a person decides to engage in the selected task. Unified SC leads to reduction in physical and psychological cost, reduction in labour turnover and successful achievement of goals. The success of any organization is determined by the willingness of its employees to display this discretionary behaviour and as such is more relevant and crucial in the service sector where the quality of the service is directly related to the employee's behaviour. Employers thus are faced with the challenge of motivating the employees intrinsically to the extent to which they will display such behaviours without any external motivation and push from the managers. Therefore, their responsibility and concern lies in recruiting such individuals who are passionate and committed to their work. It is assumed that quality and customer satisfaction assure organizations' competitive advantage, increasing customer loyalty and financial profitability.

The study aims to identify a linking relationship between WE OR and SC among fashion retail sales employees of Kochi. WE and OR are predictors of SC as they both are found to have a direct positive relationship with perceived SC. WE also explains the relationship between OR and perceived SC to a very great extend.

LITERATURE REVIEW

OR is defined as the organizational aspects of a job that are functional in achieving work goals, could reduce job demands and their associated physiological and psychological costs, and, finally, could stimulate personal growth, learning, and development (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001). This study mainly focuses on three factors of Job resources. They are Training, autonomy and technology. *Training* is coaching, or developing in oneself or others, any skills and knowledge that relate to explicit useful competencies. Autonomy is the freedom to take one's own decision in the work place. Technology refers to the technological service available in the organization like bar coding system, Bio Metric etc.

WE has been defined by Kahn (1990) as "the simultaneous employment and expression of a person's 'preferred self' in task behaviors that promote connections to work and to others, personal presence (physical, cognitive, and emotional) and active, full performances". WE is divided into three sub factors. Those are: Vigor, Dedication and absorption. Vigor refers to the great levels of energy and mental flexibility while working, the readiness to devote effort in one's work, and persistence even in the face of complications. Dedication can be defined as the sense of importance, enthusiasm, motivation, self-importance, and challenge at work. Absorption can be defined as being fully focused, contented, and intensely engrossed in one's work whereby time passes quickly, and one has trouble detaching oneself from work. . In short, engaged employees have great levels of liveliness and are passionate about their work. Moreover, they are often fully engrossed in their work so that time flies. Engagement is most diligently associated with the existing creation of job involvement. Job involvement refers to the point to which the

work situation is essential to the person and his or her identity. There are three categories of WE, they are: Engaged, Not engaged and Actively disengaged. In the workplace research on employee engagement Harter, Schmidt & Hayes, 2002 have constantly asked workforce 'whether they have the chance to do what they do best daily'. While one in five workers strongly agree with this statement. Those workforce scoring higher on this perception have substantially higher performance. Thus employee engagement is precarious to any organization that seeks to retain valued employees.

SC refers to employees' shared perceptions of the practices, procedures, and behaviors that are rewarded, supported, and expected by the organization with regard to customer service and customer service quality (Schneider et al., 1998). Therefore SC is a mutual and shared phenomenon. SC reflects perceptions that customer service is important to the organization and that management supports service quality efforts (Schneider et al., 1998).

Psychosocial research in organizations has shown that when people are working together, they may share beliefs and affective experiences and, thus, show similar motivational and behavioral patterns (George, 1990, 1996; González-Roma, Peiro, Subirats, & Man˜as, 2000); feel collective emotions, collective moods, or a group affective tone (Barsade, 2002; Bartel & Saavedra, 2000; Peiro, 2001); share perceived collective efficacy (Bandura, 1997, 2001); and show high group potency (Guzzo, Yost, Campbell, & Shea, 1993). Obviously, engagement as a motivational construct can be also shared by employees in the workplace (Bakker, Demerouti, & Schaufeli, 2005; Bakker & Schaufeli, 2001; Salanova et al., 2003). People working in the same group have more chances to interact with each other and so have more possibilities to be involved in negative as well as positive psychological contagion processes. Such affective relations among group members are also referred to as morale, cohesion, and rapport

Marisa Salanova, Sonia Agutin and Jose' Mari'aPeiro in their article "Linking Organizational Resources and Work Engagement to Employee Performance and Customer Loyalty: The Mediation of Service Climate" identifies the fundamental relationship between organizational resources, work engagement with perceived service climate by conducting a study among 342 service sector employees. The study defines mediating effect of work engagement in relationship between organizational resources and service climate and also the mediating effect of service climate in the prediction of performance of employees and customer loyalty. The study used SEM and the findings revealed that there is full mediation model in which work engagement and organizational resources predicts service climate, which predicts employee performance.

Marisa Salanova, Sonia Agutin and Jose' Mari'aPeiro in their article "Linking OR and WE to Employee Performance and Customer Loyalty: The Mediation of SC" identifies the fundamental relationship between OR, WE with perceived SC by conducting a study among 342 service sector employees. The study defines mediating effect of WE in relationship between OR and SC and also the mediating effect of SC in the prediction of performance of employees and customer loyalty. The study used SEM and the findings revealed that there is full mediation model in which WE and OR predicts SC, which predicts employee performance.

David A. Foote Thomas Li-Ping Tang, (2008)," Reciprocal relationships between job resources, personal resources, and WE" Identifies longitudinal relationship between job resources, personal resources, and WE. A sample of 163 employees was used and data was collected using a questionnaire over a period of 18 months' time. The analysis of data collected was done through structural equation modelling. The findings of the study revealed the model that best fit was the reciprocal model, which showed that not only OR and WE but also job and personal resources.

were mutually related. These findings support the assumption of Conservation of Resources theory that various types of resources and well-being evolve into a cycle that determines employees' successful adaptation to their work environments.

Schaufeli and Bakker (2004) established evidence for a positive relationship between three organizational resources (i.e., feedback, autonomy and technology) and work engagement (i.e., vigor, dedication and absorption) among Dutch employees working in an insurance company. More specifically, they used SEM to show that organizational resources (not organizational demands) absolutely predicted engagement, and that work engagement is a mediator of the relationship between organizational resources and turnover intentions.

Recent studies using confirmatory factor analysis have demonstrated a three-factor model of work engagement (Demerouti et al., 2001; Salanova, Schaufeli, Llorens, Peiro', & Grau, 2001; Schaufeli & Bakker, 2004; Schaufeli, Marti'nez, Marque's-Pinto, Salanova, & Bakker, 2002; Schaufeli, Salanova, et al., 2002). However, although research on consequences of work engagement has shown its relationship with positive outcomes such as job satisfaction, low absenteeism, low turnover, and high organizational commitment and performance

Studies reveal that SC is primarily predicted by organizational aspects such as HR actions, training, technology used by the organization. Personnel feel motivated towards work when they are provided with more training, autonomy to work and technology. The importance of OR have increased to motivate employees towards work. The SC rests on a more general contextual that includes subjective characteristics, not just Human Resources practices. How climate is built also rest on how employees feel at work and their work enthusiasm. OR are the antecedents of a motivational development. Hence, the occurrence of available OR stimulates personal

development and increases motivation. Demerouti et al. in 2001 found that OR (e.g., performance feedback, supervisor support, job control) were predictors of WE. WE has positive relationship with job satisfaction, low employee turnover, high organizational commitment and employee performance. It is said that climate for employee welfare also turns as an antecedent for a SC. It is to be expected that when employees feel energetic, involved, and content in the place of work, they may have positive insights about their work features and SC. When employees are working together, they may share views and experiences which show similar motivational and behavioral outlines. When employees are engaged, it may be expected that during social contact at work they will inspire their colleagues to behave in a related way, thus also contributing to a unified SC.

RESEARCH METHODOLOGY

PROBLEM STATEMENT

Retention of committed and satisfied employees which is very critical for the success of a business. Employee turnover causes a substantial cost for companies both in tangible and intangible terms, highly affects efficient and effective customer service and underlines competitiveness. Also, addressing service recovery performance is very critical because customer dissatisfaction if currently and properly solved can lead to higher loyalty of the customer than if the customer had been dissatisfied first time around.

There needs to be managerial practices to enhance both service recovery efforts. Many past researches have also proved that Organizational Resources and Work Engagement are critical determinant of Service Climate.

SIGNIFICANCE OF THE STUDY

The study will give insights to the employers of fashion retail on how to make their services to the customers more effective by satisfying their employees at work. It helps understand the importance of improving the resources available to the employees so as to boost their commitment and motivation level through employee engagement activities. Other studies have shown how WE of sales employees has helped in the success of fashion retails and thus it is important to encourage and provide a conducive environment for the employees to exhibit such behaviors.

TITLE

“A STUDY ON LINKING ORGANIZATIONAL RESOURCES, WORK ENGAGEMENT AND SERVICE CLIMATE AT FASHION RETAILS OF KOCHI.”

RESEARCH OBJECTIVE

- To identify the linking relationship between OR and WE
- To identify the linking relationship between WE and SC
- To identify the linking relationship between OR and SC
- To identify the mediating effect of WE in the relationship between OR and SC.

ANALYTICAL MODEL

ANALYTICAL MODEL

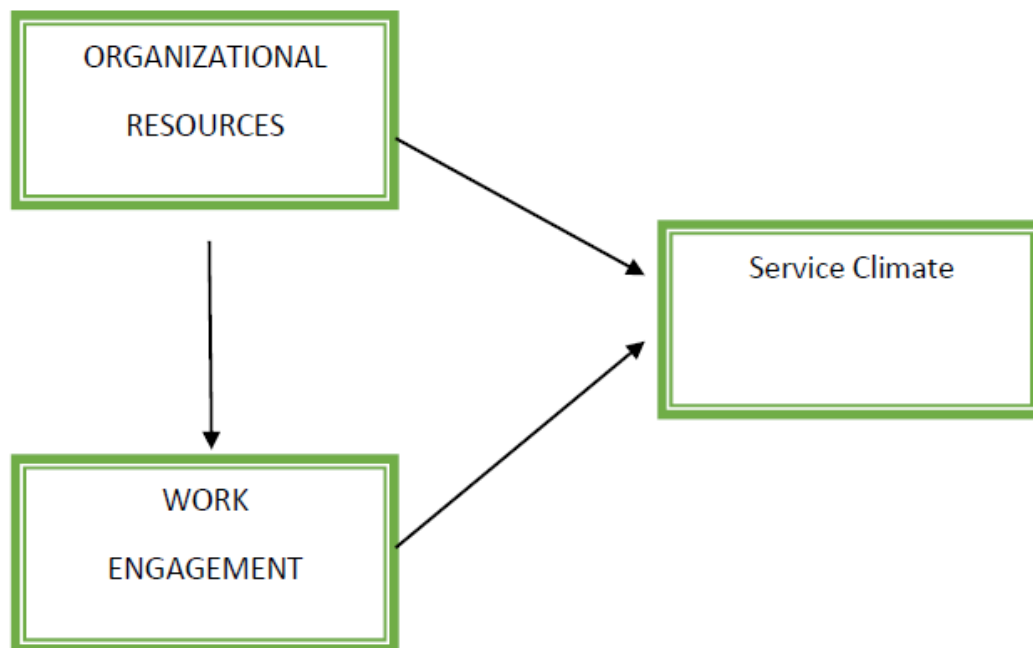


Fig 1.1 Figure showing analytical Model

THEORETICAL AND OPERATIONAL DEFINITIONS

Organizational Resource

Theoretical Definition: Organizational resources are known to influence employee well-being intrinsically through the fostering of employee growth, learning and development, or extrinsically by helping an employee to achieve his or her work goals (Hakanenet *al.*, 2006).

Operational Definition: Organizational Resources refers to the organizations features that reduces job demand, helps in achieving organizational goals, and reduces physical and psychological cost related with sales employees of the fashion retails.

Employee Engagement

Theoretical Definition: Employee engagement is a complex and dynamic process that reflects each individual's unique, personal relationship with work (Litten et *al*, 2011).

Operational Definition is defined as the degree to which sales employees of fashion retail feel enthusiastic about their work, are dedicated to the organization, and put limitless effort into their work.

Service Climate

Theoretical Definition: *Service climate* refers to employees' shared perceptions of the practices, procedures, and behaviors that are rewarded, supported, and expected by the organization with regard to customer service and customer service quality (Schneider et al., 1998).

Operational Definition Climate for service refers to employee views of the practices, behaviors and procedures that get rewarded and acknowledged with regard to customer service and customer service quality.

Independent Variable: Organizational Resource

Dependent Variable: Service Climate

Mediating Variable: Work Engagement

A given variable is said to be a mediator to the degree to which it accounts for the relation between the predictor and the criterion variables. Mediators explain how external physical events take on internal psychological importance. The general test or conditions for mediation is that the relation between the predictor and the criterion variables, the relation between the predictor and the mediator variables, and the relation between the mediator and criterion variables, all of them should be significant.

Here WE accounts for the relationship between OR and SC, as found by any previous studies.

SCOPE OF THE STUDY

This study investigates the impact of OR on SC in the fashion retail sector among sales employees in Kochi. It also explores the mediating influence of WE in the relationship between OR and SC

Population: Sales employees of fashion retails of Kochi.

Time: Present (December 2015 – January 2016).

Sources of data: Primary. Survey of the sales employees in the fashion retail stores in Kochi.

Place: Study conducted- Ernakulum.

HYPOTHESIS

Hypothesis 1: OR has a significant effect on SC among fashion retail sales employees

Hypothesis 2: WE has a significant effect on SC among fashion retail sales employees

Hypothesis 3: OR has a significant effect on WE among fashion retail sales employees

Hypothesis 4: WE has a mediating effect on the relationship between OR and SC.

RESEARCH DESIGN

Descriptive study i.e., Questionnaire/Survey is used for the study.

SAMPLING DESIGN

- Population: Fashion Retail Sales employees

- Sample size: 132 sales employees at 3 different fashion retailers at Kochi

- Data to be collected using a 32 item questionnaire.

TOOLS FOR DATA COLLECTION

WE is measured using a 17 item scale developed by Schaufeli, Salanova, et al., 2002 to measure overall vigor, dedication and absorption. Each item was measured using a 7-point Likert scale ranging from 1(Never) to 7(Always)

OR is measured using a 11 item scale developed by Brown and Mitchell (1988, 1991) and Peters, O'Connor, and Eulberg .Each item was measured using a 5-point Likert scale in which 5 indicated "Very Important" and 1 indicated "Not Important."

SC is measured using 4 item scale developed by Global SC Scale (Schneider et al., 1998). Respondents were asked to describe the extent to which they agree with items on a Likert scale ranging from 1 (Completely disagree) to7 (completely agree). The coefficient alphas for overall OR, overall WE and SC were as follows:-

SAMPLE PROFILE

GENDER

This shows the classification of respondents on the basis of their gender as male and female. First all the respondents are taken into consideration and classification is done on the basis of gender

		GENDER			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	78	59.1	59.1	59.1
	Female	54	40.9	40.9	100.0
Total		132	100.0	100.0	

Table 2.1 Table Showing the profile of respondents on the basis of their gender

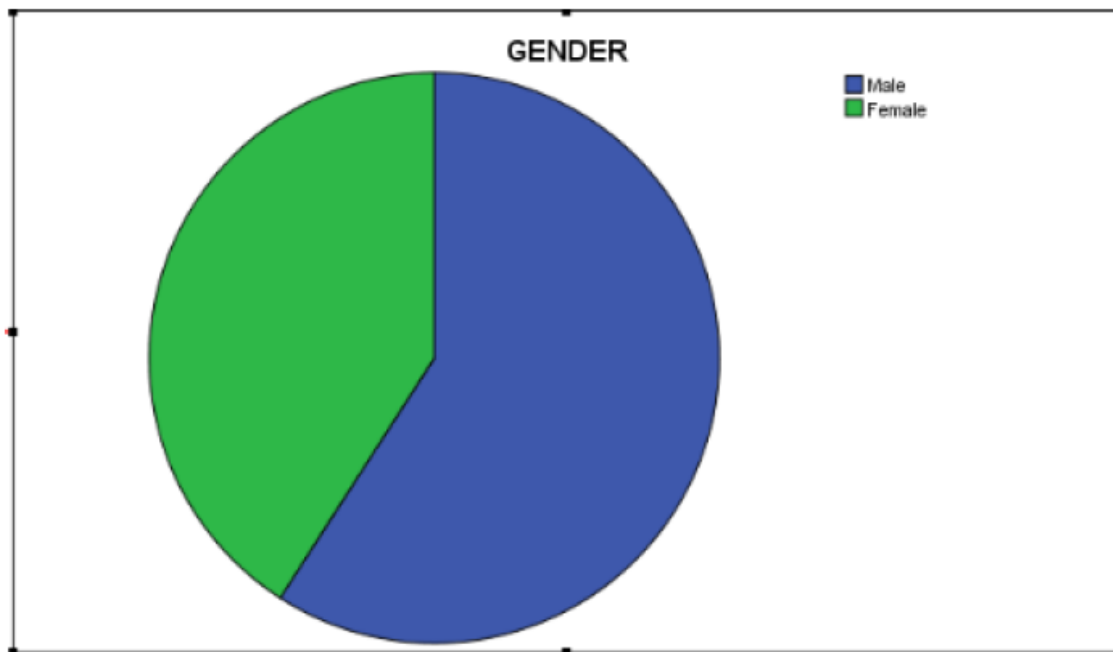


Fig 2.1 Figure showing the profile of the respondents on the basis of their gender

The sample respondents consist of 59.1% of male respondents and 40.9% of female respondents.

CRONBACH'S ALPHA

This is a measure of reliability associated a latent variable. It usually increases with the number of indicators used

Organizational Resources

Reliability Statistics

Cronbach's Alpha	N of Items
.947	11

Table 2.2 Table Showing Cronbach's Alpha of Organizational Resources

Work Engagement

Reliability Statistics

Cronbach's Alpha	N of Items
.896	17

Table 2.3 Table Showing Cronbach's Alpha of Work Engagement

Service Climate

Reliability Statistics

Cronbach's Alpha	N of Items
.896	4

Table 2.4 Table Showing Cronbach's Alpha of Service Climate

PLS-SEM ANALYSIS

1) The relation between OR and SC was tested for its strength and significance and the following model was obtained.

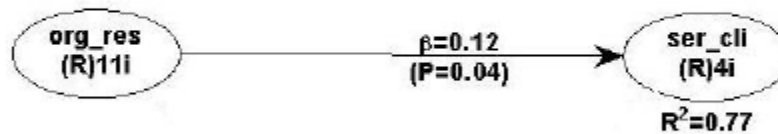


Figure 2.2 Figure Showing Relation between Organizational Resources and Service Climate

It is found that the relation between job satisfaction OR and SC is statistically significant with P value 0.04 which is <0.05 . The regression coefficient of the relation is found to be 0.12. Thus we can conclude that for every unit of change in organization resources 0.12 unit of SC changes. The coefficient of determination R^2 is 0.77. That is 77% of variation in SC is explained by OR.

Thus hypothesis 1 is accepted. OR has a significant positive influence on SC among sales employees of fashion retail.

2) The relation between OR and WE was tested for its strength and significance and the following model was obtained.

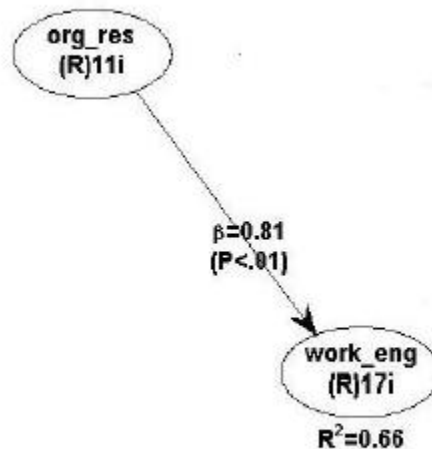


Figure 2.3 Figure Showing Relation between Organizational Resources and Work Engagement

It is found that the relation between OR and WE is statistically significant with P value <0.001 . The regression coefficient of the relation is found to be 0.81. Thus we can conclude that for every unit of change in OR, 0.88 units of WE changes. The coefficient of determination R^2 is 0.66. That is 66% of variation in WE is explained by OR.

Thus hypothesis 2 is accepted. OR has a significant positive influence on WE among sales employees of fashion retailers.

3) The relation between WE and SC was tested for its strength and significance. The following model was obtained.

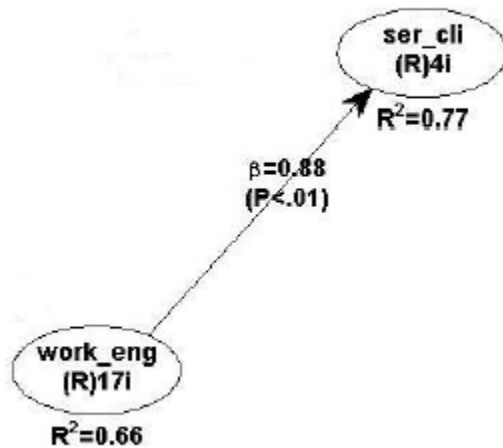


Figure 2.4 Figure Showing Relation between Work Engagement and Service Climate

It is found that the relation between WE and SC is statistically significant with P value 0.01 which is < 0.05 . The regression coefficient of the relation is found to be 0.88. Thus we can conclude that for every unit of change in WE 0.88 unit of SC changes. The coefficient of determination R^2 is 0.77. That is 77% of variation in service is explained by WE.

Thus hypothesis 3 is accepted WE has a significant positive influence on SC among sales employees of fashion retail.

4) The mediating effect of WE on the relation between OR and SC is tested to obtain the following model in WarpPLS.

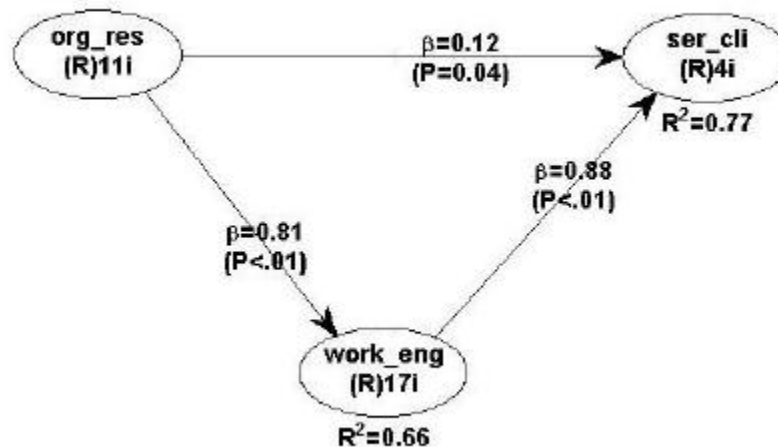


Figure 2.5 Figure Showing Mediation of Work Engagement on Organizational Resources and Service Climate

The relations between OR (Independent Variable) & WE (Mediating Variable), WE (Mediating Variable) & SC (Dependent Variable) and organizational resource (Independent Variable) & SC (Dependent Variable) are found to be statistically significant (p value <0.05). Thus we can conclude that WE has a mediating effect on the relationship between OR and SC.

The beta value for the relation between OR and WE is 0.81. That is for one unit change in OR there is 0.81 unit change in WE. If OR increases by one unit then WE also tends to increase by 0.81 units.

The R² value is 0.66. That is 66% variation in SC is explained by OR.

The beta value the relation between WE and SC is 0.88. That is for one unit change in WE there is 0.88 unit change in SC. If WE increases by one unit then SC also tends to increase by 0.88

units. The R^2 value for SC is 0.77. That is WE and OR together explains 77% of the variation in the dependent variable SC.

Thus hypothesis 4 is also accepted. WE has a mediating effect on the relationship between OR and SC.

MODEL FIT ANALYSIS

Model fit and quality indices

Average path coefficient (APC)=0.625, $P < 0.001$

Average R-squared (ARS)=0.735, $P < 0.001$

Average adjusted R-squared (AARS)=0.732, $P < 0.001$

Average block VIF (AVIF)=2.803, acceptable if ≤ 5 , ideally ≤ 3.3

Table 2.5 Table SHOWING Model fit analysis

From the above P values for the APC and ARS should all be equal to or lower than 0.05; that is, significant at 0.05 levels. From the above values it can be seen that all the values are < 0.001 which is significant. AVIF values are less than 5, which is the ideal value. This indicates that the model is good.

FINDINGS AND CONCLUSION

The findings of the study are consistent with that of the previous studies in this area and say that Organizational Resources and Work Engagement are predictors of Service Climate as they both are found to have a direct positive relationship with Service Climate. Both these factors if taken into proper consecration by the employer/ institution can result in most of the extra role behaviors in the employees. Work Engagement also accounts for the relationship between Organizational Resources and Service Climate. As there is partial mediation of Work Engagement on Organizational Resources and Service Climate i.e., organizational resources effects positively work engagement and in turn work engagement positively effects service climate. P values for APC, ARS and AARS should all be equal to or lower than 0.05; that is significant at the 0.05 level. From the above values it can be seen that all the values are <0001 which is significant. AVIF is 2.803, which is less than 5 and it can be said that the model is good.

Thus it can be said that sales employees who are satisfied and have a positive attitude towards their work tends to have higher commitment to their institution which in turn motivates them to voluntary take up roles and exhibit behaviors that are vital for the success of the institution. Thus employers should ensure that they design policies and programs that keep the employees satisfied, which in turn will account for their success through these employees.

LIMITATION OF THE STUDY

- Time constraint in doing the research work

- A minimal sample of 131 was taken for research. Hence the generalizations made on the sample may not be true to the entire universe, but only to a limited arena. A large sample size taken into consideration would have given more accurate results.

- The study is limited only to fashion retail sector in Kochi region only and hence no accurate conclusions can be drawn.

- SC is affected by many other factors. Hence correlation calculated might be affected by many other intervening variables, which is not considered for the study.