

IMPACT OF IR CLIMATE ON EMPLOYEE COMMITMENT IN CORPORATE RETAIL SECTOR

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ABSTRACT

A good relation between employee and employer is necessary for the mutual benefits. It helps an enterprise to bring out a quality product or service. The retail sector is also not separated from it. Product or service is reached customer only through the retailers. The employees in the retail sector influence the sales of the product or service. To make it a product success, the products should maintain the good relations with their retailers and in the same way retailers need to maintain good relations with their employees, as the end product or service is reached to the customers only through the employees in the retail sector. With this important observation, the researcher had taken up the present survey to know the relations between employee and employers in the retail sector in particular.

Keywords: Industrial relations, retail employees.

1.0 Introduction:

Industrial Relations (IR) is defined as “the relationship between the employer and employee”. It plays a significant role in creating and sustaining industrial democracy. Generally, employees have negative perception on the management. They feel that their skills and energies are used for the organization’s growth and the organization is least bothered for their welfare. It is fact that employee is the most valuable asset for any organization. Any asset is safeguarded by the owner to make it useful for meeting the needs and wants. The same way human resources also need to be taken care of by the employer to meeting the needs of an enterprise. The needs of any organizations are providing good services to the customers or producing the goods at a specified quality and quantity. As the employees have direct contact with the customers in the retail sector, it is necessary to have good relations among them; it can be done when employers maintain good relations with the employees. With this important aspect, the current study has been taken to enquire the industrial relations in retail sector by cross checking the commitment of the employees.

2.0 Literature Review

The higher satisfaction with supervision always lowers the employee turnover (Mobley et al (1979) in any organization. The impact of HRM policies and practices on firm's performance is an important topic in the field of human resource management, industrial relations and organization psychology (Boudreau 1991, Jones & Wright 1992, Kleiner 1990). The best HR practices can improve the knowledge, skills and abilities of a firm's current and potential employees of a firm to increase their motivation, reduce shirking, and enhance retention of quality employees (Jones & Wright 1992, Guthurie 2001). Five elements i.e., location, stock, stores, employees and customers play a key role in attaining the financial objectives of the retailers. Among these five elements, human resources are particularly vital in retail sector as they are labour intensive like service sector. Industrial relations, if well practiced, could lead to positive impact on the organization which helps to have a dedication towards work between the employees. Industrial relations are the study of the regulating the employment relationship between the employer and employee, both collectively and individually, and the determination of substantive and procedural issues at industrial, organizational and workplace levels (Rose, 2008). Kaufman (2010), views industrial relations as the process of rule making for the workplace.

Organization commitment can be defined as "affiliation of employees to the organization and involvement in it" (Karrasch, 2003). The dedicated employees usually believe and accept the goals and values of organization and show desire to be part of the organization. "*Committed employees show strong intentions to serve their organizations and are low at intentions to leave*"(Robbins and Coulter 2003). It can be an important tool for improving the performance of an organization. It has been defined as "organizational and task commitment is related to personal, job and organizations characteristics". It aims to explore some significant relations between the characteristics of commitment and organizational effects. Commitment is robustly connected with co-employees and the style of management. And it could be seen as important asset of the learning organization. Chris F Wright (2018) has reviewed growing problem of low wages and government's policy changes relating to the employment of temporary migrant workers. Michele Ford, Michael Gillan (2016) has done a research and analyzed the relationship between the state objectives – accumulation, pacification, and legitimization – and employment relations. Timothy Bartram, Brendan Boyle, Pauline Stanton, John Burgess & Anthony McDonnell (2015), *Multinational Enterprises and industrial relations: A research agenda for the 21st century*, Journal of Industrial Relations, Vol.57(2), pg.127-145. P. Sreenivasan, Manas Ranjan Tripathy (2014), investigated in five industries on relations between the employees and employers and mentioned that changing the pattern of work and nature of employment coupled with not so employee, friendly judgments that have an abiding impact on the psychological contract at workplace.

Mir Mohammed Nurul Absar (2012) investigated the industrial relations in Bangladesh in twenty six public and thirty four private sector industrial enterprises. The study aimed at exploring differences between the public and private sector industrial enterprises of Bangladesh with respect to overall status of industrial relations. The author finally concluded that the overall status of industrial relations in the private sector industrial enterprises is significantly better than that of the public sector industrial enterprises. Lucio Baccaro, Chris Howell (2011), analyzed the trajectory of institutional change in the industrial relations systems of advanced capitalist

societies, with a focus on Western Europe. Employee commitment refers to the psychological attachment of employees to their workplaces. Commitment to organizations is positively related to such desirable outcomes as job satisfaction, motivation and attendance are negatively related to such outcomes as absenteeism and turnover. However, "the relationship between organizational commitment and job performance is more tenuous

3.0 Research Questions

The present study is carried out in search of empirical answers to the following research questions that are raised based on the gaps identified in literature related to the retail industry.

1. Are the employees and employers maintaining good industrial relations in corporate retail sector?
2. Are the employees feel proud of their work and organization?
3. What are the steps taken by the employers to make their employees committed to the job?

4.0 Objectives of the Study:

The objectives of the current study are as follows:

1. To study the industrial relations and employees' commitment in corporate retail sector.
2. To assess the industrial relation climate and employees' commitment based on sample characteristics of select employees.
3. To examine the impact of industrial relations on employees' commitment in corporate retail sector.

5.0 Need of the Study

Retail sector is fast developing industry in India. The success and failures are also seen by the retailers due to various factors like unskilled manpower, poor marketing strategies and competition. It is fact that the cordial relations between all the stakeholders will bring an image to the organization in the market. It is responsibility of the employers to maintain good relations with the all the stakeholders especially with the employees, as employees are the carriers of image of the organization. From this important view, the present studies have been taken up to identify the deficiencies and suggest appropriate measures to be taken by the corporate retailers in India.

6.0 Hypothesis of the Study:

Based on the objective of study, the following hypotheses have been formulated.

H_{0.1}: There is no significant difference of opinion on industrial relations and commitment of employees in corporate retail sector.

H_{0.2}: There is no significant difference of opinion on industrial relations and commitment based on sample characteristics of employees.

7.0 Research Methodology and Sampling

A questionnaire has been prepared based on the objectives of the present study. The questionnaire has been prepared for employees to examine the impact of IR Climate on employee commitment in corporate retail sector. For the purpose of administering the questionnaire, a sample of 300 respondents has been selected on the basis of random sampling method. The method, therefore, consists of identifying some specific variables, for developing hypotheses, collecting data via a survey through a predetermined questionnaire which can be statistically tested in support of the hypotheses or otherwise. The period of study spans ten years from 2009 to 2018. The data has been analyzed with the help of appropriate statistical techniques by using SPSS. The researcher had put an attempt to analyze the relationship between the independent variables (gender, age, education, social status) and dependent variables (IR Climate and Commitment of Employees). Appropriate hypotheses have been framed for the purpose of testing.

8.0 Research Gap:

The previous studies have not covered the impact of industrial relations on commitment of employees in retail sector. Based on the gap identified, the present study has been taken up. It is an empirical and critical study which makes certain observations on the impact of industrial relations on commitment of employees in corporate retail sector.

The following dependent variables have been taken up for the current study.

Table 1: Details of Dependent Variables

Variables	Questions / Statements
DV1.	Relations between superior and subordinates
DV2.	Existence of cordial relationship between superior and subordinate
DV3.	Helpful nature of Superior
DV4.	Employees were not afraid to express their feelings with superiors
DV5.	Employees are encouraged to experiment with new method and new creative ideas
DV6.	Co-employees work with team spirit
DV7.	Co-employees readily extend their help when required
DV8.	Trust on co-employees is good
DV9.	Professional bond with the organization
DV10.	Family members too share the pride of the association with the organization
DV11.	Attracting to the organization
DV12.	Talent retention in the organization
DV13.	Employees in the organization work collectively towards improving image, acceptability and reliability of the organization.
DV14.	There is a bright future for the organization.

9.0 Perception of Employees on IR Climate & Commitment of Employees

The success comes to any organizations only with omitted employees. It is the responsibility of the employees to maintain good relations with all its stakeholders to attain the business goals.

With this important aspect, the present study has been taken up to investigate the IR relations and its impact on the commitment of the employees. Employee commitment refers to the psychological attachment of employees to their workplaces. Commitment to organizations is positively related to such desirable outcomes as job satisfaction, motivation and attendance and negatively related to such outcomes as absenteeism and turnover. However, the relationship between organizational commitment and job performance is more tenuous. The perception of employees on fourteen select variables (**V1 to V14**) of industrial relations and employee commitment is discussed and presented as follows:

Table 2 : The Cumulative Results of Relationship between the Variables

Variables	Gender (IV-1)		Age (IV-2)		Education (IV-3)		Social Status (IV-4)	
	χ^2	H ₀	χ^2	H ₀	χ^2	H ₀	χ^2	H ₀
DV1	3.22	A	16.03*	R	60.11**	R	12.21	A
DV2	2.14	A	18.07*	R	35.88**	R	6.10	A
DV3	1.31	A	25.04**	R	49.31**	R	9.25	A
DV4	2.10	A	19.54**	A	45.42**	R	8.80	A
DV5	1.77	A	32.80**	R	67.76**	R	5.26	A
DV6	2.35	A	34.17**	R	53.33**	R	8.68	A
DV7	3.25	A	25.39**	R	45.43**	R	7.70	A
DV8	3.28	A	24.85**	R	45.29**	R	7.12	A
DV9	7.30	A	5.93	A	32.99**	R	8.71	A
DV10	6.67	A	21.10**	R	59.35**	R	24.06*	R
DV11	6.30	A	43.63**	R	76.73**	R	9.41	A
DV12	3.04	A	51.91**	R	84.74**	R	4.83	A
DV13	1.57	A	23.56**	R	62.81**	R	8.15	A
DV14	0.25	A	28.90**	R	40.73**	R	7.44	A

Column headings are: (1) χ^2 =Chi Square; (2) H₀=Null Hypothesis Accepted (A) or Reject (R); (3) R=Rejected (4)* Significant at 5% level; **(5) Significant at 1% level. (6) Dependent Variable (DV); (7) Independent Variable(IV)

It is found that there is no significant difference in opinion between male and female respondents on the Variables (V1 to V14) whereas the results based on age, education and social status of respondents state that the opinion of respondent employees is not similar.

10.0 CROSS-SECTIONAL ANALYSIS: The cross-sectional analysis is a research method used in developmental psychology and also utilized in many other areas including social science and education. This type of study utilizes different groups of people who differ in the variable of interest, but share other characteristics such as socioeconomic status, educational background,

and ethnicity. Sample employees are classified according to “Gender, Age, Educational Qualifications, and Social Status” to know their perception about the IR practices & Commitment of Employees. The total number of employees selected 300, of which 110 employees are from *more*, 63 from *Spencer's* and 127 from *Central* drawn for the study. The cross-sectional results analysis is presented as follows:

10.1 Male and Female employees do not perceive IR Climate & Commitment of Employees differently: Retail is one of the sectors providing equal opportunities for both male and female. The perception of men and women may differ significantly in general. In order to compare the perceptions of employees, F-test has been carried out in this study.

Table-3 : ANOVA Results for IR Climate & Commitment of Employees

	Source of Variation	SS	DoF	MS	F-Value	P-Value
IR Climate	Between Groups	12.120	1	12.120	0.678	0.411
	Within Groups	5330.667	298	17.888		
Commitment	Between Groups	.589	1	.589	0.048	0.827
	Within Groups	3671.758	298	12.321		

It is clear that the probability values, 0.411 & 0.827 are greater than 0.05 at 5% level of significance in both the cases, i.e., IR practices and commitment of employees, hence H_0 is accepted. It concludes that there is no significant difference in the perception of male and female employees on IR Climate and commitment of employees in the select corporate retail organizations.

10.2 Employees of different age groups do not perceive IR Climate & Commitment of employees differently: Any organization needs efficient and dynamic workforce in the productive age group. It is an important variable because it has direct relation with one's mental maturity and the consequent awareness about what is going on in the society. The distribution of employees based on different age groups helps us to understand the different types of perceptions. The intention about this type of distribution is to get the opinion of all age groups regarding IR Climate & Commitment of employees of Corporate Retail Organizations.

Table-4: ANOVA Results for IR Climate & Commitment of Employees

	Source of Variation	SS	DoF	MS	F-Value	P-Value
IR Climate	Between Groups	106.182	2	53.091	3.011	0.051
	Within Groups	5236.604	297	17.632		
	Total	5342.787	299			
Commitment	Between Groups	267.538	2	133.769	11.669	0.000
	Within Groups	3404.808	297	11.464		
	Total	3672.347	299			

It is clear that, the probability values are equal to 0.05 at 5% level of significance, hence null hypothesis is rejected. Therefore, it is concluded that the different age groups of employees perceive the IR Climate & Commitment of employees differently. Thus, their satisfaction level is different on these factors.

10.3 Employees of different educational status do not perceive IR Climate & Commitment of Employees differently: Education is considered to be the chief means of social awareness and development. Education makes people rational thinkers. Education enlightens the human beings towards their work as well as responsibilities. In general, education increases the knowledge and understanding power of the people. Different levels of education will develop different types of perception and analyzing skills in the employees and this type of distribution of the employees will bring out different types of opinions on Recruitment and Selection Practices of three select CROs.

Table-5: ANOVA Results for IR Climate & Commitment of Employees

	Source of Variation	SS	DoF	MS	F-Value	P-Value
IR Climate	Between Groups	414.191	3	138.064	8.292	0.000
	Within Groups	4928.595	296	16.651		
	Total	5342.787	299			
Commitment	Between Groups	532.794	3	177.598	16.744	0.000
	Within Groups	3139.553	296	10.607		
	Total	3672.347	299			

It is clear that, the probability values are same in both the cases. The result is not significant, hence *null hypotheses are rejected*. Finally, it is inferred that the employees' perception is different on IR Climate & Commitment of employees in select three corporate retail organizations.

10.4 Employees with different Social Status do not perceive IR Climate & Commitment of Employees differently: In order to evaluate IR Climate among the employees based on their social status; F-test has been carried out in the present study.

Table 6: ANOVA Results for IR Climate & Commitment of Employees

	Source of Variation	SS	DoF	MS	F-Value	P-Value
IR Climate	Between Groups	33.198	3	11.066	0.617	0.605
	Within Groups	5309.589	296	17.938		
	Total	5342.787	299			
Commitment	Between Groups	46.321	3	15.440	1.260	0.288
	Within Groups	3626.026	296	12.250		
	Total	3672.347	299			

It is evident that, the probability values are more than 0.05 at 5% level of significance with three degrees of freedom in both the cases. *The null hypotheses are accepted*. Hence, it is concluded that there is no significant difference in the perception of respondents based on their social status towards IR Climate and Commitment of Employees in the select corporate retail organizations.

TESTING OF HYPOTHESES

There are differences in the IR Climate and Commitment of Employees in Corporate Retail Organizations in India. The summary of the hypotheses tested in this study is presented as follows:

Table-7: Perception of Employees on V1 to V14

(1)	IR Climate & Commitment of Employees	IV: Gender		IV: Age		IV: Education		IV: Social Status	
		(2)	(3)	(2)	(3)	(2)	(3)	(2)	(3)
V01.	Relations between superior and subordinates	N	A	Y	R	Y	R	N	A
V02.	Existence of cordial relationship between superior and subordinate	N	A	Y	R	Y	R	N	A
V03.	Helpful nature of Superior	N	A	Y	R	Y	R	N	A
V04.	Employees were not afraid to express their feelings with superiors	N	A	N	A	Y	R	N	A
V05.	Employees are encouraged to experiment with new method and new creative ideas	N	A	Y	R	Y	R	N	A
V06.	Co-employees work with team spirit	N	A	Y	R	Y	R	N	A
V07.	Co-employees readily extend their help when required	N	A	Y	R	Y	R	N	A
V08.	Trust on co-employees is good	N	A	Y	R	Y	R	N	A
V09.	Professional bond with the organization	N	A	Y	R	Y	R	N	A
V10.	Family members too share the pride of the association with the organization	N	A	Y	R	Y	R	Y	R
V11.	Attracting to the organization	N	A	Y	R	Y	R	N	A
V12.	Talent retention in the organization	N	A	Y	R	Y	R	N	A
V13.	Employees in the organization work collectively towards improving image, acceptability and reliability of the organization.	N	A	Y	R	Y	R	N	A
V14.	There is a bright future for the organization.	N	A	Y	R	Y	R	N	A
Column headings are: (1) Variables; (2) Significance Difference (N=No, Y=Yes); and (3) Null Hypothesis Reject (R) or Accept (A); IV (Independent Variables)									

The study is meant for knowing whether there is any impact of IR relations on commitment of the employees in corporate retail organizations. The analysis of this study reveals that there is a mixed opinion of employees on IR Relations and Commitment of the employees. The results are stating that 17 percent of respondents are not happy with relations between superior and subordinates. Similarly, 13 percent of respondents declared that the superiors are not helpful, whereas 23 percent of respondents stating that they are afraid to express their feelings to the superiors, while surprisingly majority of respondents (48 percent) mentioning that employees are not encouraged to experiment with the new method and new creative ideas, although more than 10 percent of respondents stated that there is no team work, co-employees are not extending their support and not having trust each other.

The study also reveals the commitment of employees. It is found that 14 percent of respondents don't have professional bond with the organization and their family members also not feeling pride about the organization, whereas surprisingly half of the employees mention that corporate

retail organizations are not attracting the talent, while 29 percent of respondents declare that organization is failing to retain the talent, whereas 9 percent of respondents state that workers are not collectively work towards improving image, acceptability and reliability of the organizations and 12 percent of respondents opinion is there is no bright future in the current organization where they are working.

Table-8 Comparison, Cross-sectional Evaluation and Analysis on IR Climate & Commitment of Employees in CROs

S.No.	Null Hypothesis (H_0)	F-Value	P-Value	Accept/ Reject
01.	Female and male employees do not perceive differently IR Climate Practices & Commitment of Employees in CROs.	1.768 0.678	0.185 0.411	A A
02.	Different age group of employees does not perceive differently IR Climate & Commitment of Employees in CROs	0.407 3.011	0.666 0.051	A R
03.	Different educational status of employees does not perceive differently IR Climate & Commitment of Employees in CROs	0.688 8.292	0.560 0.000	A R
04.	Different social status of employees does not perceive differently IR Climate in CROs	2.665 0.617	0.048 0.605	R A

Accepted(A), Rejected (R)

11.0 Conclusion

It is observed from the study that on an average, 19 percent of total respondents stated that industrial relations are not satisfactory in the retail organizations. It clearly speaks that corporate retail organizations should look in to this issue to maintain good relations between superiors and subordinates, employers and employees for better results as the good relations are indications of sound environment in the organization. It is also found from the study that more than 21 percent of total respondents are not committed to their jobs due to various reasons. The results are clearly stating that IR Climate is influencing the commitment of the employees in corporate retail sector.

The results stating that the respondents of different age groups at an average 18 percent are not happy with the IR relations maintained in corporate retail organizations. The bonding with the organizations is very required among the employees in any organization; it will be done through the good IR relations. It is evident from the current study that more than 21 percent of respondents of different age groups are not committed to their jobs. It is fact that good industrial relations will develop the positive attitude among the employees in the organizations. Whereas, the present study reveals that corporate retail organizations have to concentrate on IR relations to make the employees committed in their respective organizations.

The results are declaring that more than 18 percent of respondents having different educational qualifications are dissatisfied with IR relations that are maintained in the corporate retail organizations. It clearly speaks that CROs need to maintain good IR relations to encourage and motivate the manpower of their respective organizations. It is also cross checked with the

commitment of the employees having different educational qualifications. The results are stating that more than 20 percent of respondents are not committed to their roles in their respective organizations. The reason for not having commitment to their roles is only IR relations maintained in the respective organizations. Hence, here also one should accept that IR relations are influencing the employees to commit for their roles in the organization. It is observed from the study that more than 18 percent of total respondents belong to various social status stated that IR relations maintained in their respective organizations are not satisfactory. It is clearly speaking that the relations among the employees and between employers and employees are not satisfactory. It is also found from the study that more than 21 percent of total respondents are not committed to their roles due to many reasons. The results are even based on social status also clearly stated that IR Climate is influencing the commitment of the employees working in corporate retail sector. It is suggested from the above observations that corporate retail organizations need to maintain good IR relations as it influence the commitment of the employees.

12.0 Future Research Directions

The study was confined to three corporate retail organizations in Visakhapatnam city, but now few more corporate retail stores are also started their business operations in Visakhapatnam city. Hence there is a scope to focus on these stores to investigate other HR Practices including the current issue to correlate with the results of the present study.

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