

Digitalization and Its Influence on Employee Engagement and Job Satisfaction: A Study with Special Reference to Ranchi

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Abstract: Digitalization is need of the hour in retail stores. Customers, today, prefer shopping from stores which are technologically updated. **Purpose:** This study was conducted in retail stores of Ranchi to ascertain if digital technology is being used and the impact of digital technology on engagement and satisfaction level of employees. **Methodology:** Primary data is collected for this research and correlation, statistical tool, has been used to study the relationship between implementation of digital technology and its influence on employee engagement as well as satisfaction level. **Findings:** The study indicates that majority of retail stores use digital technologies in their operations and this use of technology has a very limited impact on employee's engagement and satisfaction level. **Originality and value:** This study tries to address a topic on which a very limited study has been done in Ranchi.

Key Words: Digitalization, Employee Engagement, Employee Satisfaction, Retail stores, Digital technology.

1. Introduction

Digitalization is rapidly transforming the world's retail industry, particularly the Indian retail industry, by integration of several digital technologies into business operations, customer interactions, and decision-making processes. The rapid growth of digital technologies such as artificial intelligence (AI), data analytics, cloud computing, the Internet of Things (IoT), mobile commerce, and digital payment systems has changed the face of retail operations. Retailers are increasingly adopting several digital technologies to improve their operational efficiency and enhance customer experiences. The rise of e-commerce, mobile shopping and omni-channel retailing has shifted consumer expectations toward convenience, personalization, and seamless shopping experiences. Retailers are now expected to provide an integrated online and offline platform and services, personalized product recommendations and secure digital payment options. Therefore, retailers are investing heavily in digital technologies to meet these evolving demands while ensuring optimization of supply chain management, customer relationship management, and inventory control.

Digitalization has significantly influenced the workplace within the retail sector. Employees are now required to adapt to new digital tools, automated systems, and technology-enabled work processes. Digital technology facilitates communication, collaboration, training, and performance monitoring which enables employees to perform their tasks more efficiently. However, success of digitalization in retail industry depends not only on technological investments but also acceptance and involvement level of employees. On the other hand, an inadequate employee involvement may result in resistance to change, reduced job satisfaction, and lower organizational performance.

In the Indian retail industry, since customer service remains a focal point, digitalization and employee involvement are very closely interconnected. Digital technologies empower the employees by providing better access to information, simplification of routine tasks, and enabling the system of data-driven decision-making. Therefore, understanding the impact of digitalization on retail employees is increasingly important for both researchers and practitioners. Examining how digitalization of retail influences employee involvement, engagement, and job satisfaction can provide valuable insights for improving organizational performance.

Objective of the study

This research is conducted to address the following objectives:

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- To study the perception of employees regarding digital transformation of retail sector
- To study the effect of retail digitalization on employee engagement.
- To study the effect of retail digitalization on employee satisfaction.

2. Literature Review

According to Vial (2019), digital transformation is defined by the changes in an organization driven by use of digital technologies that create new business models and improve organizational efficiencies. Hänninen, Kwan, and Mitronen (2021), in their study, observed that the technological advancements over the past three decades have transformed retail value chains, communication methods, inventory systems, and customer interactions to a great extent. Mostaghel et al. (2022), in their extensive literature review of over 170 research articles, observed that digitalization enables business model innovation by improving their operational efficiency, value creation, customer engagement, and organizational competitiveness. One of the earliest conceptual frameworks explaining digitalization in retail was developed by Hagberg et al. (2016). They observed that digitalization transforms retail through four different dimensions i.e. **retail exchanges, actors, offerings, and retail settings**. Their framework explains the newly shaped interaction between retailers and customers through use of technologies such as mobile applications, digital payment systems, self-service technologies, and online platforms have reshaped interactions between retailers and consumers. Roe et al. (2022), studied the adoption of Internet of Things (IoT) technologies in smart retail stores. They observed that IoT certainly improves inventory management, customer experience, and operational efficiency but also creates some challenges related to cyber security, privacy, and system interoperability.

Employee engagement and Satisfaction

Employee engagement is defined as an extent to which employees invest their physical, cognitive, and emotional energies in work (Kahn, 1990). Schaufeli (2013) explained work engagement as a positive work-related state which is characterized by vigor, dedication, and absorption. When the employees are engaged, they demonstrate higher level of productivity, stronger commitment, and better organizational performance. Davis (1989), observed that the employees are more likely to adopt digital technologies when they perceive them as useful and easy to use.

Castellacci and Tveito (2022), in their research, observed that digitalization positively affects job satisfaction through multiple ways, including increased autonomy, improved work efficiency, and enhanced learning opportunities. However, it may also reduce job satisfaction when employees experience high level of technostress, increased performance monitoring, high job insecurity, or inadequate digital skills.

3. Research Methodology

The study was undertaken to study the impact of digitalization in retail sector on engagement and satisfaction level of employees in Ranchi. This study is exploratory in nature. Based on extensive literature review, digital transformation is identified as independent variable whereas engagement and satisfaction levels of customers are identified as dependent factor.

Target population: The target population for this study was the employees in retail sector of Ranchi. Total of 110 respondents were included in the study.

Data Collection: Primary data for the study was collected through a questionnaire.

Questionnaire: Questionnaire consists of basic questions like name, age, gender and also questions related to digital adoption in retail as well as employee engagement and Satisfaction level. Lickert's 5 point scale was used.

Data Analysis: Correlation coefficient is the statistical tool used to measure extent of relationship between digital transformation and employee engagement level, as well as, digital transformation and employee satisfaction level. Tables and charts are also used for representation of data.

Hypothesis

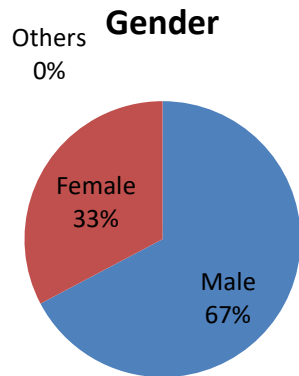
- H0: There is no significant relationship between digitalization of retail sector and employee engagement level.
- H1: There is a significant relationship between digitalization of retail sector and employee engagement level.
- H0: There is no significant relationship between digitalization of retail sector and employee satisfaction level.
- H2: There is a significant relationship between digitalization of retail sector and employee satisfaction level.

4. Data Analysis

1. Gender

Gender	Number of respondents
Male	74
Female	36
Others	0

Table 1 Data source: Field survey

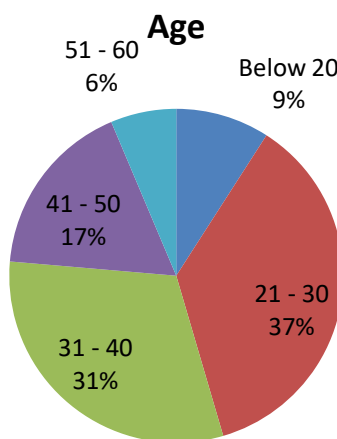


Inference: Majority of customers in this study were male (67%) whereas female respondents were (33%)

2. Age

Age	Number of respondents
Below 20	10
21 - 30	40
31 - 40	34
41 - 50	19
51 - 60	07

Table 2 Data source: Field survey

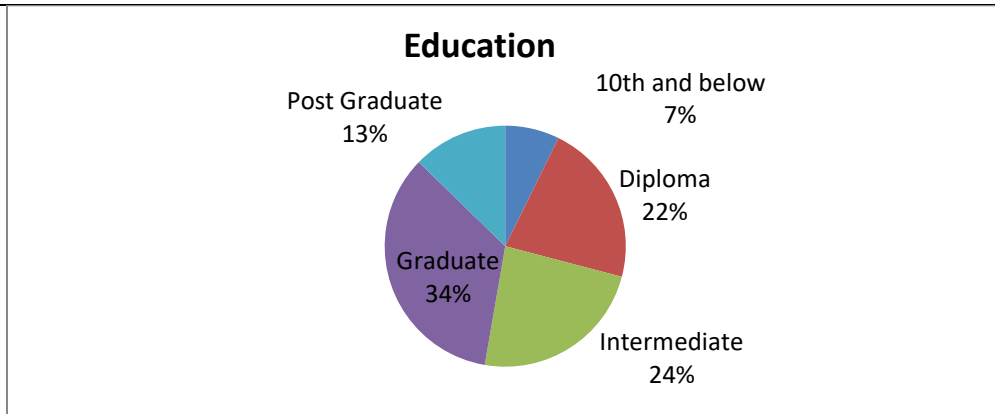


Inference: Majority of customers in this study were of age group 21 - 30 (37%) followed by 31 – 40 (31%), 41 – 50 (17%), 51 – 60 (6%). Below 20 years age group were 9 %

3. Education

Education	Number of respondents
10 th and below	08
Diploma	24
Intermediate	26
Graduate	38
Post Graduate	14

Table 3 Data source: Field survey



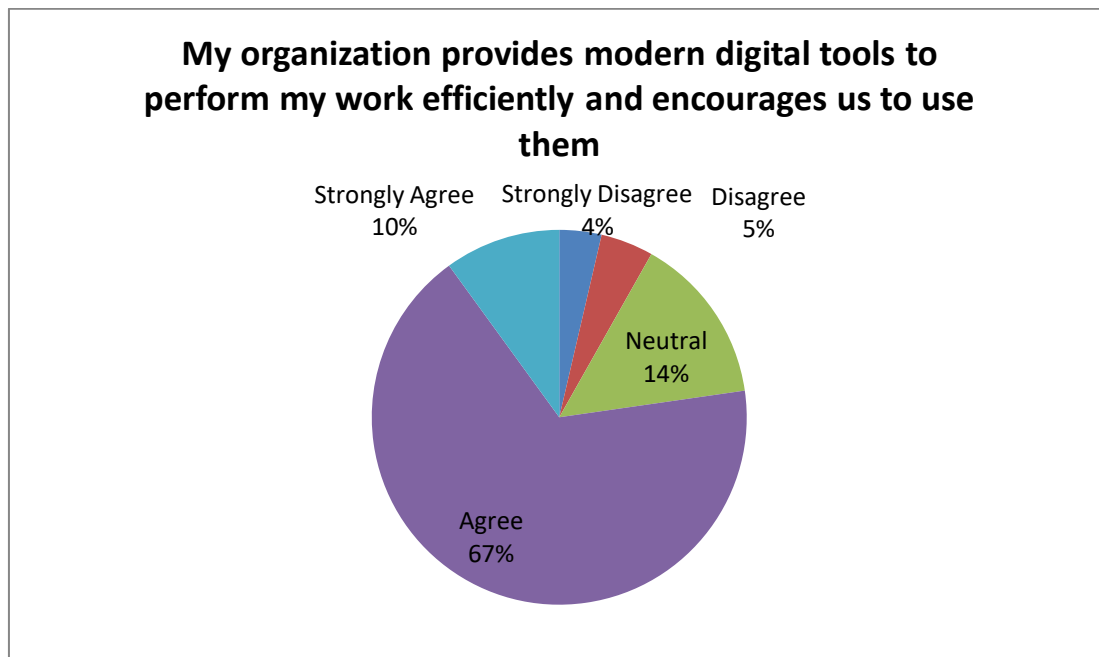
Inference: Majority of employees were Graduate (34 %) followed by Intermediate (24%), Diploma (22%), Post Graduate (13%) and 10th and below (7%)

4. Digitalization of retail sector

My organization provides modern digital tools to perform my work efficiently and encourages us to use them.

My organization provides modern digital tools to perform my work efficiently and encourages us to use them	Number of respondents
Strongly Disagree	04
Disagree	05
Neutral	16
Agree	74
Strongly Agree	11

Table 4 Data source: Field survey



Inference: 4% of employees strongly disagree, 5 % disagree, 14% are neutral, 67% agree and 10 % strongly agree that their organization provides modern tools to perform their work and encourages them to use the technology.

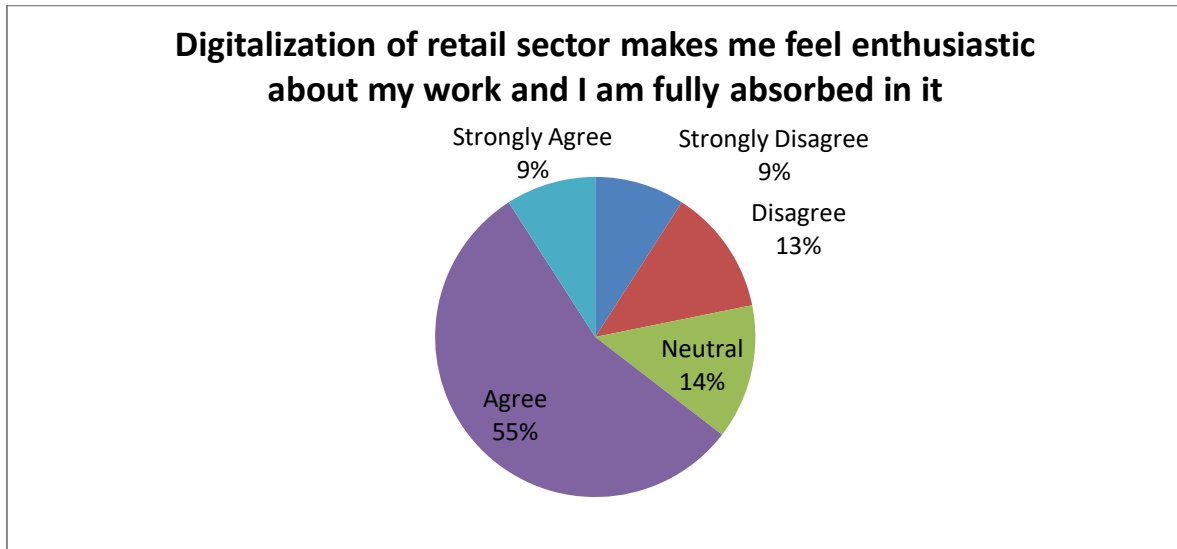
5. Employee engagement

5.1 Digitalization of retail sector makes me feel enthusiastic about my work and I am fully absorbed in it

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Digitalization of retail sector makes me feel enthusiastic about my work and I am fully absorbed in it	Number of respondents
Strongly Disagree	10
Disagree	14
Neutral	15
Agree	61
Strongly Agree	10

Table 5 Data source: Field survey

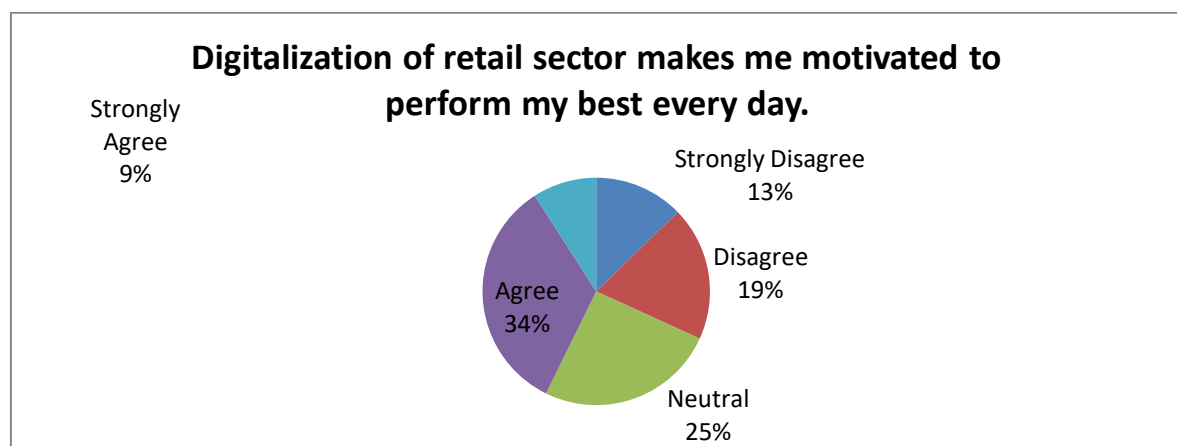


Inference: 9% of employees strongly disagree, 13 % disagree, 14% are neutral, 55% agree and 9 % strongly agree that digital transformation makes them feel enthusiastic about their work and they are fully absorbed in it

5.2 Digitalization of retail sector makes me motivated to perform my best every day.

Digitalization of retail sector makes me motivated to perform my best every day.	Number of respondents
Strongly Disagree	14
Disagree	21
Neutral	28
Agree	37
Strongly Agree	10

Table 6 Data source: Field survey



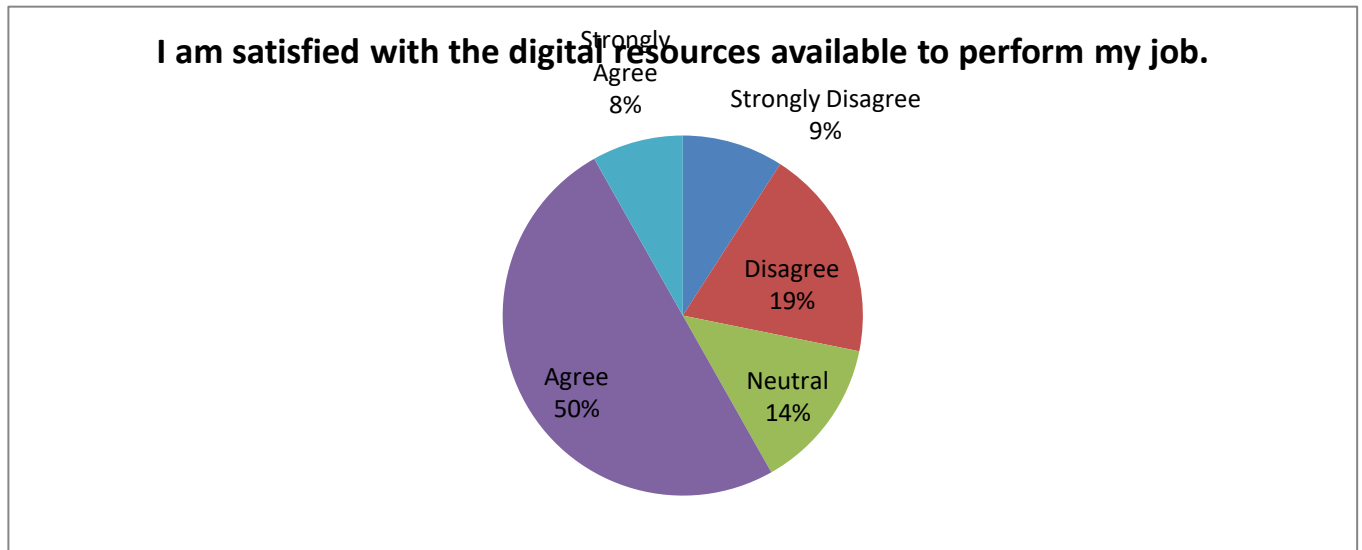
Inference: 9% of employees strongly disagree, 13 % disagree, 14% are neutral, 55% agree and 9 % strongly agree that digital transformation makes them motivated to perform their best every day.

6. Employee satisfaction

6.1 I am satisfied with the digital resources available to perform my job.

I am satisfied with the digital resources available to perform my job.	Number of respondents
Strongly Disagree	10
Disagree	21
Neutral	15
Agree	55
Strongly Agree	09

Table 7 Data source: Field survey

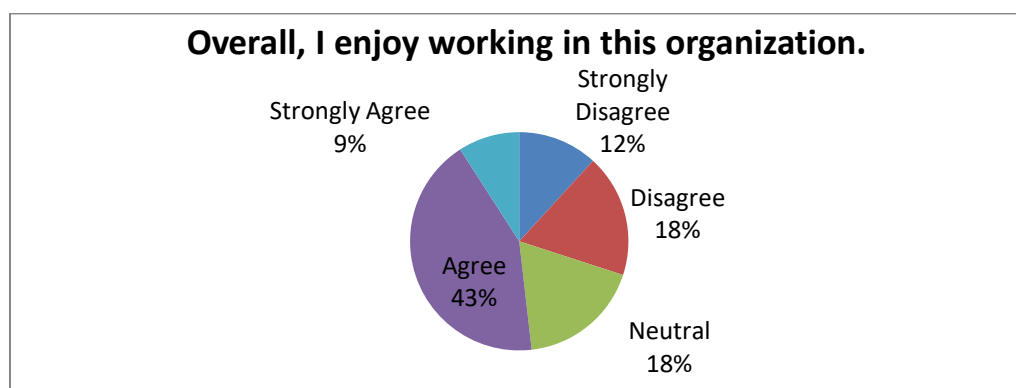


Inference: 9% of employees strongly disagree, 19 % disagree, 14% are neutral, 50% agree and 8 % strongly agree that they are satisfied with the digital resources available to perform their job.

6.2 Overall, I enjoy working in this organization.

Overall, I enjoy working in this organization.	Number of respondents
Strongly Disagree	13
Disagree	20
Neutral	20
Agree	47
Strongly Agree	10

Table 8 Data source: Field survey



Inference: 12% of employees strongly disagree, 18 % disagree, 18% are neutral, 43% agree and 9 % strongly agree that they enjoy working in the organization.

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Hypothesis testing

H0: There is no significant relationship between digitalization of retail sector and employee engagement level.

H1: There is a significant relationship between digitalization of retail sector and employee engagement level.

Correlations			
		Digitalization of retail sector	Employee Engagement level.
Digitalization of retail sector	Pearson Correlation	1	0.11058
	Sig. (2-tailed)		0.252
	N	110	110
Employee Engagement level.	Pearson Correlation	0.11058	1
	N	110	110

Correlation analysis done on the scores of digitalization in retail and mean score of employee engagement level shows that the coefficient of correlation (r) = + 0.11058 According to correlation analysis, the value shows very weak relationship between the use of technology in retail and employee engagement level.

Thus, null hypothesis is accepted i.e. there is no or very weak significant relationship between digitalization of retail sector and employee engagement level.

H0: There is no significant relationship between digitalization of retail sector and employee satisfaction level.

H2: There is a significant relationship between digitalization of retail sector and employee satisfaction level.

Correlations			
		Digitalization of retail sector	Employee Satisfaction level.
Digitalization of retail sector	Pearson Correlation	1	0.1513
	Sig. (2-tailed)		0.1154
	N	110	110
Employee Satisfaction level	Pearson Correlation	0.1513	1
	N	110	110

Correlation analysis done on the scores of digitalization in retail and mean score of employee satisfaction level shows that the coefficient of correlation (r) = + 0.1513. According to correlation analysis, the value shows very weak relationship between the use of technology in retail and employee satisfaction level.

Thus, null hypothesis is accepted i.e. there is no or very weak significant relationship between digitalization of retail sector and employee satisfaction level.

5. Findings

- Majority of employees believe that their retail company uses modern digital technology in retail operations and encourage them to use the technology.
- There is a negligible relationship between use of technology (digitalization) and employee engagement level arising due to its use.
- There is a negligible relationship between use of technology (digitalization) and employee satisfaction level arising due to its use.

6. Recommendations And Suggestions

- Based on findings, it is clear employees believe that digitalization is the future and retail organizations should focus on the use of technology in their retail store.
- Literature study shows that employee involvement plays an important role in success of digitalization in retail stores. Thus, employees should be involved in planning, strategizing and decision making stages of digital implementation in retail stores.
- Findings suggest that Digital implementations cannot lead to employee engagement and satisfaction alone. Other factors like work culture etc. plays a role in achieving employee engagement and satisfaction.

7. Conclusion

Thus, on the basis of this research and available literature in the field, we can say that digitalization of retail industry is the future. Even in cities like Ranchi, retail companies are integrating digital technologies to their retail operations. Use of digital technology can lead to employee engagement and satisfaction to a certain level but other factors, like a good working culture, efficient HR practices etc., also play an important role in achieving higher levels of employee engagement and satisfaction.

8. Limitation

The sample size of the research study is a bit low. A bigger sample size may result in more significant result.

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