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ENHANCED WORKPLACE CULTURE AND JOB SATISFACTION BY EMPLOYEE ENGAGEMENT -A STUDY IN A MANUFACTURING UNIT

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ABSTRACT

HR practitioners believe that the engagement challenge has a lot to do with how employee feels about the about work experience and how he or she is treated in the organization. Employee engagement is the thus the level of commitment and involvement an employee has towards their organization and its values. An engaged employee is aware of business Context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee. The Employee engagement is a barometer that determines the association of a person with the organization. This article emphasize the factors that determine the level of employee engagement and job satisfaction .

Key Words: Employee engagement, Involvement, Performance, Job satisfaction

INTRODUCTION ON EMPLOYEE ENGAGEMENT

The Gallup Research group coined the term employee engagement, which means ‘harnessing of Organizational members’ selves to their work roles. In engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. The second related matter to engagement is the “notion of Flow” advanced by Mihaly Csikszentmihalyi, "Flow" fits the notion of engagement better and defines flow as the “state in which people are so involved in an activity that nothing else seems to matter; the experience is so enjoyable that people will do it even at great cost, for the sheer

sake of doing it.” Employee engagement is the thus the level of commitment and involvement an employee has towards their organization and its values. HR practitioners believe that the engagement challenge has a lot to do with how employee feels about the about work experience and how he or she is treated in the organization. Employee engagement is the thus the level of commitment and involvement an employee has towards their organization and its values An engaged employee is aware of business Context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee.’ Thus Employee engagement is a

barometer that determines the association of a person with the organization

Finding and keeping the right people with the right skills presents a major challenge for organizations. Engaging those people to voluntarily deliver maximum effort in key strategic areas adds another dimension to the challenge. In engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. Employee engagement is a barometer that determines the association of a person with the organization.

Three basic aspects of employee engagement according to the global studies are:

- The employees and their own unique psychological make up and experience
- The employers and their ability to create the conditions that promote employee Engagement.
- Interaction between employees at all levels.

Thus it is the responsibility of the organization to create a favorable environment and culture to have a win-win equation.

This article emphasizes the factors that determine the level of employee engagement from the perspective of - Job and role, Reward, Management and culture. It also study the impact of employee engagement factors towards four dimensions.

1. Understanding business context and focused to customers
2. Retention and great place to work
3. Corporate goal attainment and belief towards organization
4. Drive to work and overall performance

Human resources challenges are great and toughest for any organization but “employee engagement” helps the organization to retain the best talent and make them committed

and loyal employees, which in turn create employer branding.

Analysis of employee engagement has become vital in the current day industrial scenario. Measuring the employee engagement should be an integral part of the human resource department. The organization must work to develop and nurture engagement because, employee engagement is the thus the level of commitment and involvement an employee has towards their organization and its values. Thus Employee engagement is a barometer that determines the association of a person with the organization.

This study highlight the level of employee engagement and also identified the factors that manifest employee engagement. The study has the following objective:

- To study the level of employee engagement and its impact on organization work culture.

The study is based on primary data collected from 100 employees of Murugappa group of companies and it include of number of parameter relate to employee engagement

About Murugappa Group

The Murugappa Group, headquartered at Chennai, India, is a USD 2.4 billion (Rs. 96 billion) conglomerate with interests in engineering, abrasives, fertilizers, finance, bio-products and plantations. It has 29 companies under its umbrella, of which six are listed and actively traded on the National Stock Exchange and the Bombay Stock Exchange. Together, they have over 32,000 employees. The Group's tie-ups with leading international companies, and has consolidated its status as one of the fastest growing diversified business houses in India.

The business has its origins in 1900, when Dewan Bahadur a M Murugappa Chettiar

established a money-lending and banking business in Burma (now Myanmar), which then spread to Malaysia, Sri Lanka, Indonesia and Vietnam. In these 100-plus years, it has withstood enormous vicissitudes, including strategically moving its assets back to India and restarting from scratch in the '30s, before the Japanese invasion of Burma in World War II. Starting with a sandpaper plant, the Group forayed into making steel safes, and then into manufacturing. It set up an insurance company, and bought a rubber plantation; making a small but significant beginning.

Today, it is one of the country's biggest industrial houses. Group turnover crossed the USD 1 billion mark in 2003-04; with an impressive growth of 25 per cent Carborundum Universal Ltd (CUMI) pioneered the manufacture of coated and bonded abrasives in India, besides super refractories, electro minerals, industrial ceramics and ceramic fibres. After half a century and more of undisputed market leadership in each of its businesses, CUMI is getting ready for its role as a global corporation.. The company was founded in 1954 as a tripartite collaboration between the Murugappa Group, Carborundum Inc, USA, and the Universal Grinding Wheel Co Ltd, UK.

With the global vision, CUMI is expanding its product spread. The company makes over 20,000 different varieties of abrasives, refractory products and electro minerals, manufactured at 14 locations. CUMI has the distinction of having all its manufacturing units ISO 9001: 2000 certified. State-of-the-art facilities and strategic alliances with global partners have earned CUMI a reputation for quality and innovation. To increase productivity, it has introduced the concept of 'lean manufacturing' and implemented Six Sigma work practices.

CUMI's global expansion has enlarged its customer base. CUMI today has a presence in 43 countries and also has 200,000 retail outlets.

RESEARCH METHODOLOGY

The study is pertaining to the level of employee

engagement in the Corborundum Universal Limited, Thiruvottiyur. The level of involvement and commitment employees has towards their work has been viewed and the reason for employee engagement and the impact of employee engagement has been analyzed. Simple random sampling method was adopted to choose the sample. The number of employees in the organization is 300. The simple random sampling method was followed and 100 employees has been selected at random.

Primary Data has been collected by means of questionnaire. The questionnaire comprises of 16 variables and that has been included for analyzing the level of employee engagement in Corborundum Universal Limited .It is given below and a model was developed (**Figure: 1**)

Job and role

1. Job satisfaction
2. Clarity of values
3. Level of stress
4. Performance based training
5. Communication
6. Cooperation

Reward

1. Fair treatment
2. Pay and benefit
3. Opportunity to learn
4. Recognition

Management and culture

1. Equal opportunities
2. Health and safety
3. Workers participation

4. Mission of company
5. Conducive work environment
6. Fair and consistent.

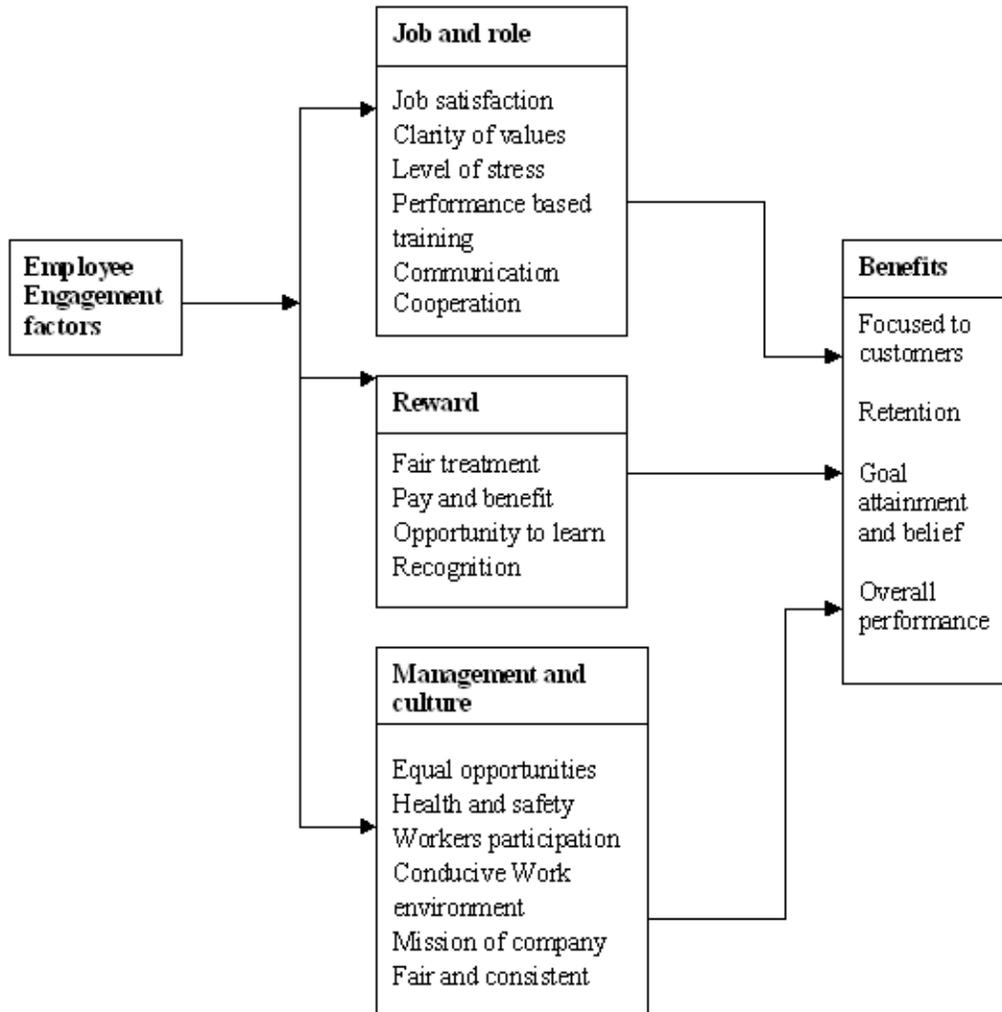


Figure: 1 Model of Employee Engagement

RESULT AND ANALYSIS

Employee engagement is a key driving force for organizational performance and work culture. It needs to be developed in every day along with business process. In 1994 service value chain model developed by Harvard Business School endorsed the importance employee engagement as “Employee engagement create delighted customer” and that develop profit and growth oriented organization. The main concern for organization is employees who work for organization and they are supposed to be suitably engaged. **Thackray, J. (2001)**

¹³ The Gallup Organization, an international

organizational research and consultancy firm with over 70 years’ experience, conducts the most influential business survey of EE and brought EE to the notice of industry. The Gallup Organisation had rolled out its engagement survey to over 1.5 million employees, and more than 87,000 work units. The employee engagement survey was done with the above 16 variables and the reliability and internal consistency of the scales used in questionnaire have been tested using Cronbach Alpha and it is shown in Table: 1

Table: 1 Reliability statistics for the factors determining employee engagement

Employee engagement factors	Mean	Std. Deviation	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Cronbach's Alpha if Item Deleted
Job and role					
Job satisfaction	2.9615	1.44115	53.0962	28.206	.689
Clarity of values	4.5192	.50450	51.5385	40.332	.755
Level of stress	1.3846	.49125	54.6731	43.205	.776
Performance based training	3.6154	.49125	52.4423	40.879	.759
Communication	2.3077	.87534	53.7500	32.505	.696
Cooperation	4.7692	.42544	51.2885	42.994	.773
Average	3.2596				
Reward					
Fair treatment	3.0769	.96703	52.9808	32.215	.698
Pay and benefit	3.2885	1.25771	52.7692	28.573	.675
Opportunity to learn	4.4615	.50338	51.5962	40.598	.757
Recognition	4.8077	.39796	51.2500	42.779	.771
Average	3.90865				
Management and culture					
Equal opportunities	2.5385	1.50113	53.5192	28.372	.697
Health and safety	3.0385	.65564	53.0192	39.588	.754
Workers participation	3.6346	.48624	52.4231	43.151	.775
Conducive Work environment	4.5000	.50488	51.5577	40.291	.755
Mission of company	4.2308	.42544	51.8269	41.048	.759
Fair and consistent	2.9231	1.45314	53.1346	34.001	.755
Average	3.477583				

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Average	3.477583				
Cronbach's Alpha .757					

Source: Primary Data

The mean scores for the factor recognition (4.8077) has been ranked one, cooperation (4.7692) has been ranked as second, clarity of values (4.5192) as third. The pivotal job and role (i.e.) the possibility in the organization for improvement of performance and results will increase the employee engagement. The employee engagement level is the level of Job satisfaction, Clarity of values, Level of stress; Performance based training, Communication, Cooperation and the average mean scores are (Mean=3.2596.). The organizations that fail to improve the

job and role are having a risk of losing the employees. **Harter and et al (2002)** ⁷ Employee engagement is a combination of individual involvement and satisfaction as well as enthusiasm for work. **Mc Cashland (1999)** ¹¹ defined employee engagement or commitment as an emotional outcome to employee resulting from the critical components of the workplace Employees are contented with diverse things. Some have economic goal, some others have professional goal or personal goals. So the compensation plan should be designed in such way that it promotes

engagement levels. The system should be fair and it should recognize employee contributions. The pay should also be in other forms like formal recognition, benefits etc. The components that determine the employee engagement level from the perspective of rewards includes fair treatment, pay and benefit, opportunity to learn, recognition and their mean score is (M =3.90865)

The organization culture is the basic values and if employees have similar values the engagement level also increases. The level

of employee engagement is determined by the variables equal opportunities, health and safety, workers participation, conducive Work environment, mission of company, fair and consistent and the mean score is (M=3.477583).The over all Cronbach Alpha coefficient for the 16 key factors determining the level of employee engagement is (0.757) stating that the items have relatively internal consistency. The reliability coefficient of 70 or higher is considered as 'acceptable' in most of social science research.

Table: 2 Correlation for Employee Engagement Factors vs. Impact of Employee Engagement

Null hypothesis: There is no significant relationship between employee engagement factor and the impact of employee engagement towards organizational performance

S.NO	Employee Engagement Factors vs. Impact of Employee Engagement	Pearson Correlation	Result
1	Understanding business context and focused to customers	0.108 (P=0.283)	Positive Correlation
2	Retention and great place to work	0.005 (P=0.964)	Positive Correlation
3	Corporate goal attainment and belief towards organization	0.026 (P=0.795)	Positive Correlation
4	Drive to work and overall performance	0.025 (P=0.806)	Positive Correlation

Source: Primary Data

The employee engagement factor has a positive correlation and indicator of linear relationship with the factors understanding business context and focused to customers($r=0.108$), retention and great place to work($r=0.005$), corporate goal attainment and belief towards organization ($r=0.026$), drive to work and overall performance ($r=0.025$). There is a direct association between the two variables – factors determining employee engagement

and the impact created towards the employees. To a great extent impact is created by the monetary and non-monetary reward system (M=3.90865) towards business context and customer context ($r=0.108$).It is also concluded that is no statistically significant correlation between employee engagement factors and the impact of employee engagement as the p value is greater than 0.05.

Table: 3 ANOVA for Employee Engagement factors vs. Impact of Employee Engagement towards organizational performance

Null hypothesis: There is no significant relationship between employee engagement factor and the impact of employee engagement towards organizational performance

		Sum of Squares	df	Mean Square	F	Sig.
Understanding business context and focused to customers	Between Groups	39.949	21	1.902	0.942	.541
	Within Groups	157.491	78	2.019		
	Total	197.440	99			
Retention and great place to work	Between Groups	24.043	21	1.145	0.524	.952
	Within Groups	170.547	78	2.187		
	Total	194.590	99			
Corporate goal attainment and belief towards organization	Between Groups	28.809	21	1.372	0.669	.850
	Within Groups	159.941	78	2.051		
	Total	188.750	99			
Drive to work and overall performance	Between Groups	45.167	21	2.151	1.209	.268
	Within Groups	138.793	78	1.779		
	Total	183.960	99			

Source: Primary Data

From the above table it is concluded that the $F_{crit} = 1.70$ and it is greater than the $F_{obs} = 0.942$, $F_{obs} = 0.524$, $F_{obs} = 0.669$, $F_{obs} = 1.209$ respectively, and the "Sig." level is also greater than alpha and so the null hypothesis is accepted. It is clear that employee engagement factors has to be improved and it does not create any impact on the performance. William Khan (1990)¹⁶ that employee engagement factors such as job involvement, commitment or intrinsic motivation, asserting focus the psychological expertise and shape the process of people presenting and absenting themselves during task performances. Harter, Schmidt & Hayes (2002)⁷ described it as the individual's involvement and satisfaction with as well as enthusiasm for work. So the factors that increase the

employee engagement with less mean scores job satisfaction (2.9615), Level of stress (1.3846), Communication (2.3077), Equal opportunities (2.5385), Fair and consistent (2.9231) need to be improved to improve the employee engagement index.

CONCLUSION

In world-class organizations, the ratio of engaged to actively disengaged employees is 9.57:1. In average organizations, the ratio of engaged to actively disengaged employees is 1.83:1. Employee engagement has emerged as a measure of employee commitment and in turn it will create a highly effective work environment. This paper highlights the employee engagement and its impact on organizational performance and work culture

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