# Employee Engagement: Myth or Reality

## Volume - 1

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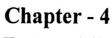
# AKINIK
## PUBLICATIONS

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**Chief Editor**

**Dr. Bhagawan Chandra Sinha**

Associate Professor, Sharda School of Business Studies, Sharda University
Greater Noida, Uttar Pradesh, India

# Chapter - 4
## Analysis of the Factors Affecting Employee Engagement in the Pharmaceutical Industry of Goa

### Author

**Rajesh V. Shetgaokar**

Assistant Professor, Department of Economics, M.E.S. Vasant Joshi College of Arts and Commerce, Zuarinagar, Goa, India

# Chapter - 4

## Analysis of the Factors Affecting Employee Engagement in the Pharmaceutical Industry of Goa

Rajesh V. Shetgaokar

**Abstract**

Employee engagement is increasingly important in the pharmaceutical industry in Goa, as it impacts employee performance and well-being. This study explores the concept of employee engagement in the Goa pharmaceutical industry and identifies key drivers of engagement. Engaged employees are emotionally attached to their organisation and highly involved in their job, going beyond the employment contractual agreement. A descriptive research design was conducted on 200 employees in different pharmaceutical industries in North and South Goa districts using the questionnaire method. The study found that all factors included in the study positively impact employee engagement and positively correlate with productivity progression. Organisations should prioritise these factors to enhance employee engagement and productivity. Prioritising these factors can foster a work environment that boosts employee dedication, leading to increased productivity and organisational success. Implementing strategies like professional development opportunities and rewarding employees for their hard work can further foster engagement, thereby enhancing overall organisational success.

**Keywords:** Employee engagement, pharmaceutical industry, feedback, dignity, assignment, remuneration

## Introduction

Employee engagement significantly impacts organisational success, affecting an employee's emotional attachment to their organisation, their work ethic, and retention duration. Employee engagement has been found to have a significant impact on productivity and overall organisational performance. Research has shown that highly engaged employees are more likely to go above and beyond their job requirements, resulting in increased efficiency and effectiveness. Additionally, organisations with high levels of

employee engagement tend to experience lower turnover rates, as employees feel a sense of loyalty and commitment to the organisation. This level of dedication often leads to increased innovation and creativity within the organization. Engaged employees are more likely to come up with new ideas and solutions, contributing to the overall growth and success of the company. Additionally, their positive attitude and strong work ethic can also inspire and motivate their colleagues, creating a culture of high performance and collaboration. It is crucial for employers to foster a sense of engagement among their employees, as it leads to increased productivity and overall job satisfaction. Engaged employees are more likely to go above and beyond their job responsibilities, resulting in improved customer service and higher levels of customer satisfaction. Employee retention involves taking steps to encourage employees to remain in the system for the maximum amount of time. Whereas retention management has been, it is also important to note that employee retention is not solely about keeping employees in the organization but also about creating an environment where they feel valued and motivated to stay. This can be achieved through various strategies, such as offering competitive compensation and benefits, providing opportunities for growth.

## Concept of employee engagement

The concept of employee engagement has been a subject of confusion, leading to multiple definitions. Goffman (1961) is considered the first economist to conceptualize it, defining it as spontaneous involvement in a role and visible investment of attention and effort. However, his definition primarily focused on individual behavior and performance within their role, not productivity. This suggests that while engagement may contribute to job satisfaction and commitment, it does not guarantee productivity increase. With the evolving nature of work and changing employee expectations, a more comprehensive understanding of employee engagement is needed. Katz and Kahn (1966) emphasized the importance of employee engagement in work and organizations, but their perspective did not address specific factors contributing to productivity. Without a clear definition and understanding of employee engagement, it's challenging to identify and implement strategies to improve workplace productivity. Kahn (1990) introduced the concept of employee engagement, focusing on personal engagement. This involves harnessing organizational members' selves to their roles, expressing themselves physically, cognitively, and emotionally. Employee engagement is crucial for workplace productivity, as emotionally and psychologically immersed employees are more motivated and committed. Organizations should prioritize creating a work environment that

encourages participation through advancement, recognition, and fulfilling work, fostering a positive work environment. In 2002, Harter redefined employee engagement as an individual's involvement, satisfaction, and enthusiasm for work. Chandani et al. (2016) expanded on this definition, stating that employee engagement encompasses more than just job satisfaction, including commitment, motivation, and a sense of purpose. This perspective emphasizes the importance of employees feeling connected to the organization's mission and values, recognizing the need for a broader perspective in employee engagement. Development Dimensions International (DDI) defines engagement as the enjoyment and belief in one's work, which is valued and appreciated. Erickson (2004) suggests that enhancing employee engagement is the best way to shape their attitude towards work. Engaged employees are crucial for organizational survival and economic success. Schmidt et al. (1993) define engagement as an employee's involvement, commitment, and satisfaction with work. It enhances productivity, fosters a positive work environment, and goes beyond job satisfaction. Engaged employees are more likely to contribute innovative ideas, contribute innovative ideas, and perform at higher levels, ultimately contributing to the organisation's success. Therefore, organisations should create a culture that promotes employee engagement. This can be achieved by implementing strategies such as providing opportunities for professional development, fostering open communication channels, and recognizing and rewarding employee contributions. Additionally, organisations should also consider conducting regular assessments and surveys to gauge employee engagement levels and identify areas for improvement.

## Employee engagement and disengagement characteristics

Jon Hellevig's table outlines the basic traits of both engaged and disengaged employees, emphasizing their earnest efforts and dedication to their tasks, while also highlighting their contradictory traits.

**Table 1:** Employee engagement and disengagement characteristics

| Engaged employees | Not-engaged employees |
| --- | --- |
| • Absorbed in his work | • Don't care about work and the success of the organization |
| • Maintains the focus for an extended period | |
| • Feels a strong emotional bond with the organization | • Work only for salary and are not motivated |
| • Is enthusiastic and passionate about his/her work | |
| • Expands the work role and is | • Don't contribute much to business, |

| | |
|---|---|
| flexible, that is, he/she is not tied to a job description | rather push it in the wrong direction sometimes |
| • Successfully adapts to change | |
| • Wants to develop and apply his/her job related skills | • Working hours are wasted in chatting with coworkers, private phone calls, surfing internet not related to work |
| • Does not need reminders and constant push | |
| • Feels a sense of urgency and takes his work seriously | • Not interested in what is going on in the organization |
| • Is persistent at work | • Don't ask questions about work, nor do they offer any useful inputs |
| • Takes initiative | |
| • Is goal-oriented | • Perform only the minimum work that is required from them |
| • Conscientious | |
| • Is Accountable and feels a sense of ownership | • Initially when new to the organization, they may be enthusiastic and inquisitive, but with time get disengaged, primarily also due to neglect or bad management. |
| • Responsible | |
| • Dedicated to his/her work | |

**Source:** Hellevig (2012), 'Employee Engagement in Russia, a Preview Version: How to build a Corporate Culture of Engagement, Customer Focus and Innovation'.

### Different forms of engagement

The three main types of engagement that can occur are cognitive, emotional, and bodily participation. Cognitive engagement refers to the level of mental involvement and focus in a task or activity. It involves active thinking, problem-solving, and critical analysis. Emotional engagement refers to the level of emotional connection and investment in a task or activity. It involves feelings of interest, enjoyment, and satisfaction. Physical engagement refers to the level of physical involvement and participation in a task or activity. It involves actions, movements, and physical exertion. These three types of engagement are interrelated and can greatly impact overall performance.

### Contributing factors to employee engagement

William A. Kahn emphasizes the importance of key elements in promoting employee engagement, which include a sense of purpose, opportunities for growth, a supportive environment, recognition, and effective communication. He also highlights the importance of a good work-life balance and autonomy in boosting employee engagement. Three key elements that encourage engagement include opportunities for professional advancement, a fair wage structure, cultural diversity, openness, autonomy,

incentive, and recognition. A productive workforce requires a learning culture, fair compensation and promotion policies, cultural diversity, transparency, and decentralized authority. Management must appreciate their efforts and maintain a strong communication system. Cooperation and consideration are crucial, as managers and supervisors must be accommodating with working hours and personal problems. Leadership positions are vital in shaping an organization's direction and culture, as supportive leaders provide a vision and inspire employees to work towards it.

### Theoretical framework

This research provides a comprehensive understanding of employee engagement and its determinants using various theories, including William A. Kahn's Personal Engagement Theory, Abraham Maslow's Hierarchy of Needs, Frederick Herzberg's Two Factor Theory, Equity Theory, Job Embeddedness Theory, Douglas McGregor's Theory X and Theory Y, and Self-determination Theory. These theories can help firms create effective engagement-boosting strategies.

William A. Kahn's Personal Engagement Theory introduced the concept of engagement in the early 1990s, focusing on how an employee feels at work. This bottom-up approach contrasted with the top-down model, which aimed to motivate employees. Kahn identified three major factors for employee engagement: Meaningfulness of Work, Psychological Safety, and Psychological Availability. Meaningfulness of Work refers to an employee's feelings about their work and its contribution to the organization's success. Psychological Safety refers to the worker's social relationships with colleagues and seniors, their availability, and rewards for their sincere work. Psychological Availability refers to the necessary physical and psychological resources for completing their work. Disengaged employees are referred to as "clock punchers", who remain employed but provide organizational or emotional energy at their work place. William Kahn's theory of treating employees as partners and promoting open communication is crucial for enhancing working relationships. Organizations like Google have adopted this approach to foster a self-assured, creative workforce. Caitlin Duffy from Microsoft supports Kahn's argument, stating that treating workers as genuine individuals allows them to reach their full potential. Research at Google found psychological safety teams to be most effective. This fosters open communication, encourages risk-taking, innovative ideas, and collaboration, leading to increased engagement and productivity.

Abraham Maslow's hierarchy of needs theory, introduced in 1943, suggests that individuals should satisfy their basic needs first before pursuing more complex ones. The theory categorizes needs into four: physiological (necessary for survival), safety (physical and psychological stability), belongingness and love (love and acceptance), and esteem (self-worthiness and pride). These needs are essential for a person's wellbeing. After satisfying these needs, individuals can pursue growth demands like education, aesthetic needs, self-actualization, and transcendence. Despite lacking empirical validity, Maslow's theory has been influential in fields like psychology, business, and organizational behavior, as it recognizes and treats people's basic needs for higher growth and fulfilling their full potential.

Frederick Herzberg's Motivation-Hygiene Theory suggests that job satisfaction is influenced by motivational factors and hygiene aspects. Hygiene factors include workplace regulations, supervision, relationships, work conditions, compensation, status, and security. Motivating factors include accomplishment, recognition, effort, responsibility, progress, and growth. Companies should be fair, nondiscriminatory, and avoid ragging and bullying. Workplaces should be tidy and safe, and wages should be fair. Employees should feel a sense of status and security within the company, ensuring employment stability and reducing layoff risks. Herzberg concluded that work satisfaction and dissatisfaction are distinct, and addressing dissatisfaction's causes will not create or eliminate it. Instead, job satisfaction is primarily influenced by achievement, recognition, and the nature of the work itself. To create job satisfaction, employers should focus on growth opportunities, meaningful tasks, and rewards for job success. This fosters a positive work environment that promotes employee satisfaction and reduces the likelihood of dissatisfaction.

Douglas McGregor's 1960 book, The Human Side of Enterprise, outlines two theories of managerial style: Theory X, which views workers as "cogs in a machine", and Theory Y, which emphasizes collaboration and trust, with more supervisors and centralized choices. Theory Y, which includes positive managers, decentralized power, and support for employee skill advancement, is considered preferable to Theory X. However, excessive emphasis on Theory X can lead to employee demotivation and increased attrition rates. Theory Y is particularly relevant in higher educational institutions, where it aligns with the institution's mission and values. By recognizing intrinsic motivation and personal growth, Theory Y fosters a positive work environment and engagement, leading to higher job satisfaction and retention rates among staff. The Equity Theory, developed

by John Stacey Adams in 1963, suggests that workers are motivated by justice and change their behavior to make the world more equitable. A negative sense of justice demotivates people, while a positive perception fosters drive. This theory can be better understood using input-output analysis, where inputs are labor or contributions provided in exchange for output. Employees lose motivation if their output is less than their input, but may feel compelled to raise their inputs to maintain equity within the company. Adams developed the idea of a referent group, where employees compare themselves to individuals in terms of inputs and outputs. If employees perceive their inputs are higher than their referent group but their outputs are lower, they may feel a sense of injustice and become demotivated.

The self-determination theory, first proposed by Edward Deci and Richard Ryan in 1985, suggests that people's motivations are influenced by both internal and external factors. Intrinsic needs, such as learning and independence, are the primary motivators, while extrinsic needs, like money and praise, are driven by external incentives. Psychological development requires competence, autonomy, and connection. Autonomy involves controlling one's conduct and life, competence involves mastering tasks, and connection involves empathy and community. The theory also explains how these motivations are influenced by their environment. Intrinsic-driven individuals focus on work results for satisfaction, while extrinsic-motivated individuals are motivated by external incentives. To achieve autonomy, competence, and connection, a balance between intrinsic and extrinsic motivation is necessary.

The "job embeddedness theory" focuses on an employee's connection to others, their perception of their fit with their job, organization, and community, and the anticipated loss they would experience if they left their jobs. The fit component deals with an employee's compatibility with the workplace and environment, their relationship with organizational goals, and congruence with the knowledge and skills required for the position. The link refers to the formal and informal connections an employee has within the workplace and the local community. These theories can help organizations develop strategies to create a positive work environment, meet employees' needs, and foster strong connections, leading to higher levels of employee satisfaction, productivity, and long-term commitment.

## Determining employee engagement

This section details the procedures adopted in determining the result and conclusion. We have taken the population of the study as skilled employees.

To determine employee engagement in the pharmaceutical industry of Goa, we conducted a descriptive research design. The research design allowed us to gather information on various factors that contribute to employee engagement, such as job satisfaction, work-life balance, and organisational culture. By analysing this data, we aim to identify the key determinants of employee engagement in the industry. The population of the study consisted of skilled employees. The skilled employees included the managerial staff, technical staff, and supervisory staff. We employed various procedures and methodologies to derive our results and conclusions. Disproportionate stratified random sampling design was adopted in the present study to select samples. In our study, a sample consisted of 200 employees, out of whom 100 were managers, 60 were technical personnel, and 40 were supervisory staff. Primary data collection was done through the questionnaire method on various variables. The researcher tested the feasibility of the study in 2020 by conducting a pilot study. The pilot study helped identify any potential issues or challenges that may arise during the actual data collection process. It also allowed for the refinement and validation of the questionnaire used in the study. Additionally, ethical considerations were taken into account, ensuring that participants' confidentiality and privacy were protected throughout the research process. The researchers used a chi-square test to identify the relationship between engagement and demographic variables, a t-test and ANOVA to compare opinions, regression analysis to predict factors influencing engagement, Friedman's test to rank engagement factors, and confirmatory factor analysis through SMART-PLS to verify survey instrument reliability and validity.

**Reliability and validity**

The reliability of a scale refers to its consistency in measuring a construct, while validity refers to the accuracy of the scale in measuring what it measure. By using Smart PLS, the researchers were able to determine that the employee engagement scale had high reliability and validity, meeting the necessary thresholds for both. This indicates that the scale is a reliable and valid tool for measuring employee engagement within the study. Cronbach's Alpha Test have been used to assess the internal consistency reliability of the measures used in this study. This test provides a measure of how well the items within each construct correlate with each other, indicating the overall reliability of the measurement instrument.

**Table 2:** Cronbach's alpha test

| Variables | Cronbach's Alpha | AVE |
|---|---|---|
| Feedback | 0.949025 | 0.831038 |
| Collaborative efforts | 0.957370 | 0.98756 |
| Growth potential | 0.966160 | 0.876944 |
| Balance between work and life | 0.957684 | 0.82974 |
| Superior quality | 0.916754 | 0.84663 |
| Dignity | 0.976838 | 0.769875 |
| Assignment | 0.927685 | 0.83456 |
| Respect for the Management | 0.986647 | 0.856733 |
| Remuneration | 0.98663 | 0.856633 |
| Honoring workers | 0.93485 | 0.46352 |
| Excellence | 0.8654 | 0.846553 |
| Conversation | 0.92647 | 0.863552 |
| Individual expression | 0.97463 | 0.84635 |

Source: Researcher calculation based on primary data.

## Factors influencing employee engagement using Friedman's test

Friedman's test is a statistical analysis that can be used to identify factors influencing employee engagement. It takes into account various variables such as job satisfaction, communication effectiveness, and leadership style. By analyzing these factors, organizations can gain insights into areas that may need improvement in order to enhance employee engagement and ultimately increase productivity. Additionally, Friedman's test allows for comparisons between different groups or departments within an organization, providing a comprehensive understanding of the overall factors influencing employee engagement.

**Table 3:** Factors influencing employee engagement- Friedman's test

| Variables | Mean rank | Rank | Result |
|---|---|---|---|
| Feedback | 13.94 | 1 | Chi-square = 2546.345 |
| Collaborative efforts | 12.89 | 2 | Df = 10 |
| Growth potential | 12.76 | 3 | P<0.00 |
| Balance between work and life | 12.08 | 4 | |
| Superior quality | 10.87 | 5 | |
| Dignity | 9.675 | 6 | |
| Assignment | 9.67 | 7 | |
| Respect for the management | 8.89 | 8 | |
| Remuneration | 8.86 | 9 | |

| | 7.9 | 10 | |
|---|---|---|---|
| Honoring workers | | | |
| Excellence | 7.56 | 11 | |
| Conversation | 6.89 | 12 | |
| Individual expression | 6.78 | 13 | |

Source: Researcher calculation based on primary data.

The study ranked employee engagement factors using Friedman's test, revealing feedback as the most influential. Other factors included collaborative efforts, growth potential, balance between work and life, superior quality, dignity, assignment, respect for management, remuneration, honoring workers, excellence, conversation, and individual expression. These factors positively correlated with productivity progression, suggesting organizations should prioritize these to enhance employee engagement and productivity.

## Employee engagement using multiple regressions

The regression analysis examined the impact of selected factors on employee engagement, using them as independent variables and displaying the outcomes as shown below.

**Table 4: Estimates of regression**

| Model summary | | | | |
|---|---|---|---|---|
| **1 Model** | **R** | **R Square** | **Adjusted R²** | **Std. error of the estimate** |
| | 0.456 | 0.76 | 0.45 | 8.453 |
| Predictors: Selected Variables | | | | |

| ANOVA[a] | | | | | |
|---|---|---|---|---|---|
| **1 Model** | **Sum of squares** | **df** | **Mean square** | **F** | **Sig.** |
| Regression | 21215.872 | 1 | 21215.872 | 4.187 | 0.01[a] |
| Residual | 165475.339 | 38 | 4354.614 | | |
| Total | 186691.211 | 39 | | | |
| Predictors: Selected Variables | | | | | |
| Dependent Variable: Employee Engagment | | | | | |

| Model | Unstandardised Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | t | Sig |
| Constant | 13.976 | 48.705 | 0.86 | 0.287 | 0.003 |
| Remuneration | 37.609 | 3.447 | 0.34 | 3.786 | 0.001 |
| Honoring workers | 16.78 | 4.56 | 0.45 | 3.786 | 0.00 |
| Excellence | 34.78 | 4.78 | 0.32 | 3.875 | 0.000 |
| Conversation | 45.78 | 5.78 | 0.23 | 5.764 | 0.000 |

| | | | | | |
|---|---|---|---|---|---|
| Individual expression | 34.98 | 6.79 | 0.14 | 4.765 | 0.003 |

Dependent variable: Employee engagement

Source: Calculated by Researcher based on ASI data

The ANOVA results in table 4 shows the impact of the independent variable on employee engagement, with a significant variation (p-value) of.001, below the.05 level. This indicates that the independent variables have a significant and meaningful effect on employee engagement, with a strong impact and low probability of chance results. The importance of 0.05-sidering this variable in efforts to improve employee engagement within the organization is highlighted. The study found that factors such as honor, remuneration, excellence, conversation, and individual expression significantly predict employee engagement. Managerial support and recognition were also found to be important in fostering a supportive work environment. The beta values indicate the extent to which these variables influence employee engagement. Opportunities for growth and development were also found to enhance employee engagement. This suggests that providing employees with learning and advancement opportunities can contribute to creating a positive work environment and increasing their engagement. The findings underscore the importance of prioritizing managerial support, recognition, and growth opportunities for organizations to foster higher levels of employee engagement.

## Conclusion

Employee engagement has become increasingly important for businesses as strategic partners, as it impacts employee performance and well-being. HR managers must prioritize the physical and emotional health of staff members to stay afloat and outperform competitors. In difficult economic times, employee engagement is seen as a key source of competitive advantage. This research examines the impact of leadership, communication, and work-life balance on employee productivity and satisfaction, focusing on less researched drivers. Understanding the impact of these factors on employee engagement is crucial for organizations seeking a competitive edge. This study fills a gap in existing literature and contributes to a more comprehensive understanding of the factors driving employee engagement. Employee engagement is crucial for organizational success and job satisfaction. Demographic variables should be considered when designing strategies to enhance engagement. To boost employee commitment, organizations should encourage opportunity thinking, improve staff decision-making, prioritize employee ideas, provide regular feedback,

and open up the workplace environment. Transparency from senior leadership can also improve the workplace environment. Businesses should undertake appropriate training programs and create a positive work environment.

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