



## DRIVING EMPLOYEE ENGAGEMENT IN AUTOMOBILE SECTOR- AN EMPIRICAL STUDY OF MIDDLE LEVEL MANAGERS AND ENGAGEMENT DRIVERS

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### Abstract

The concept of employee engagement is a much talked about, much researched issue at the highest organizational levels, today. Research studies world over had shown that, committed, dedicated enthusiastic and involved employees add value to their organization in terms of increased productivity, customer satisfaction, retention and overall organizational growth.. It is in this background “employee Engagement gains significance. Employee Engagement is personified by the passion and energy extended by employees to give their best to the organization. Engagement challenge has a lot to do with how employee feels about the work experience and how he is treated in the organization. It has a lot to do with emotions which are fundamentally related to drive bottom line success in a company. In engagement people employ and express themselves physically, cognitively and emotionally during role performances. Engagement is characterized by employees being committed to the organization, believing in what it stands for and being prepared to go above and beyond what is expected of them. This paper attempts to explore as what motivates employees to give their best and thereby an attempt is made to identify the key drivers of engagement and subsequently to develop a model for drivers of employee engagement. Further this survey also tries to establish the influence of employee engagement towards employee retention. The research survey is based on primary data collected from middle level managers working in automobile manufacturing and service organizations in and around Bangaluru.

**Keywords:** Employee Engagement, Organizational Growth, Key Drivers of Engagement. Employee Retention.

### Introduction

#### Employee Engagement

Professor William Khan, (1990), Boston University school of management, defines employee engagement as ‘The harnessing of organization members’ selves to their work roles; in engagement people employ and express themselves physically, cognitively and emotionally during Role performances’. Cognitive dimension of employee engagement is related to the belief of the employees about the organization; he is working in, conditions of work, top management of the organization etc; Emotional aspect is how employees feel for the organization and about their job. Physical dimension is to be engaged in the workplace, the employees need to exert one’s self to the work role entrusted, in order to fulfill their work roles; physical energy is needed to be applied to accomplish the assigned task.

#### Review of Literature

Despite having coined the term Employee Engagement as early as 1990, (Khan 1990) there is yet to be a definition that is universally accepted. Hence it is desirable to analyze different definitions taken from cross section of academicians, consultants, researchers to bring out common aspects of employee engagement.

1. In 1990, William Khan, a researcher and a professor at the Boston University, School of Management defined the concept as “the harnessing of organization members ‘selves to their work roles; in engagement people employ and express themselves **physically cognitively** and **emotionally** during role performances”.
2. Schaufeli, Salanova, Gonzalez and Baker, 2002, Define work engagement as, Engagement a positive, fulfilling, work related state of mind that is characterized by **vigor, dedication, and absorption** (Schaufeli, Salanova, GonzálezRomá & Bakker, 2002). Vigor is characterized by high levels of **energy** and **mental resilience** while working. Dedication refers to being strongly involved in one’s work and experiencing a sense of significance, enthusiasm, and challenge. Absorption is characterized by being fully concentrated and happily engrossed in one’s work, whereby time passes quickly and one has difficulties with detaching oneself from work.
3. Perrins Global Work force Study, 2003, States that ‘Employee’ willingness and ability to help their company to succeed largely by providing **discretionary efforts** on a sustainable basis. According to this study engagement is affected by many factors which involve both **emotional** and rational factors leading to work and overall work experience.
4. Robinson et.al, 2004. Defines engagement as a **positive attitude** held by the employee towards the organization and its value. An engaged employee is aware of the business context and works with the 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 employee and employer.



5. Wellins and Concelman, 2005. Engagement is an amalgamation of **commitment, loyalty, productivity and ownership** which ultimately decides the level of engagement.
6. DDI, 2005. Development Dimensions International( DDI) defines Employee Engagement as the extent to which people value, enjoy and believe in what they do, i.e., **Enjoyment**; people enjoy what they do as part of their job, or in the organization. **Belief** that in doing so, they are making a meaningful contribution to the organization. **Value** that they are being recognized for making efforts.
7. Gallup Management Journal, 2006. Defines engaged employees as those who work with a **passion** and feel profound connection to their company and drive innovation and move the organization forward.
8. Bhatnagar, 2007. According to Bhatnagar , The concept of engagement is to be **emotionally** and intellectually committed to ones organization”
9. Blessing White Survey 2008. “Full engagement represents alignment of maximum job satisfaction (“I like my work and do it well”) with maximum **job contribution** (“I help achieve the goals of my organization”)
10. Hewitt defines employee engagement as “is the **energy**, passion, fire in the belly employees have for their employers so they **‘Stay’** (desire to be member of the organization) **“say”** (speak positively about the organization) and **‘strive’** (go beyond what is normally required).
11. International Survey Research (ISR) defines Employee Engagement as ‘a process by which an organization increases commitment and continuation of its employees to the achievement of superior results’. The ISR separates commitment into three parts: cognitive, affective and **behavioral** commitment i.e., think, feel and act.

To find out common concepts, above definitions were reviewed which showed that there are different concepts being used to define Employee Engagement. However, common to all definitions is the central idea is that employee engagement is being influenced by, physical, emotional, organizational and job factors. So to conceptualize it can be concluded that employee engagement is an outcome of interplay of several individual and organizational factors at workplace.

Competitive global advantage can be attained with high caliber employees at work place A well functioning organization is the product of a healthy, committed and motivated employees, who go beyond their job profile and discharge the duties by going an “extra mile”. Then these employees could be called as engaged employees, who are an asset to the organization.

The present study covers younger and senior middle level managers. Respondents are chosen from middle managerial level, because in any organization these middle level managers are an essential link between top level management and lower level. Essentially it can be said that highly engaged middle managers can contribute significantly for long term organizational growth. Various studies and surveys conducted by research firms and academicians, and scholars showed that, employee engagement leads to, higher profits, higher employee retention and finally to business growth.

### **Drivers of Engagement**

To further understand Employee Engagement, it is essential to look into the individual employee’ needs and also the organizational context to understand what are the driving behaviors and corresponding key motivating factors for an employee to become engaged. It is in this background that motivational theories are looked into. Most work motivational theories are based on Maslow and Herzberg’s theories of motivation. The present survey looks in to the theory of Herzberg and the factors which cause job satisfaction or dissatisfaction.

### **Herzberg’s Theory**

According to this theory, factors like company policy, Supervision, working conditions, relationship with boss, salary, relationship with co workers, pay and benefits may not substantially motivate, however, factors like, opportunity for career growth, challenging work, achievement, recognition, responsibility, promotion, would motivate and inspire employees, which will make them to perform better, and would ultimately lead to engagement. This theory indicates that more than hygiene factors, it is the motivators which are responsible for job satisfaction and job satisfaction would pave the way for job engagement. Employee Engagement is viewed in terms of employee as an individual with his unique psychological makeup which motivates him to work. On the other hand, organization, as an entity creating conditions suitable for making the employee work effectively towards the progress of the organization.

## Research Methodology

### Objectives

1. To look in to the demographic profile of middle level managers, working in automobile manufacturing and service sector.
2. To study the drivers of engagement.
3. To study the relationship between employee engagement and employee retention.
4. To arrive at a model with drivers of engagement.

### Research Design

Descriptive study was carried out.

### Sample Size

Convenience sampling was adopted by the researcher. One hundred and fifty numbers of middle level managers working in reputed automobile manufacturing and service organizations located in and around Bangalore, constitute the representative sample for the study.

### Scales Used

Five point Likert type scale, starting from, strongly disagree (1), to strongly agree. (5). was used. Respondents were asked to assign Ranks from 1 to 15, for various job related parameters, to identify key drivers of engagement.

### Data Analysis

Data was fed to SPSS software for analysis. Reliability test was done for scales under study. For data analysis statistical tools like, frequency tables, bar charts, pie chart were used. Testing of hypothesis is done with z-test and Regression Model.

*H1: The younger aged Middle level Managers are less engaged than Senior Middle level Managers.*

*H2: There is a significant relationship between Employee engagement and Retention.*

### Major Contributions

**Table 1.1 Shows samples from reputed automobile manufacturing and services sector for the study**

Auto Industry	No. of samples for the study	Percentage
Manufacturing	33	22%
Service	117	78%
Total	150	100%

Source: Primary Data

Primary data was collected from automobile manufacturing and service organizations, located in and around Bangalore. Majority of the respondents are from the service sector (78%).

**Table 2.1: Distribution of Employees as per Gender**

Gender	No. of Employees	percentage
Male	131	87.33%
Female	19	12.67%
Total	150	100%

Source: Primary Data

As far as gender is concerned maximum proportion of employees are Male, (87.33%), where as Female employees are less (12.67%), indicating dominance of Male employees. this could be due to the very nature of auto industry, being strenuous and challenging work environment.

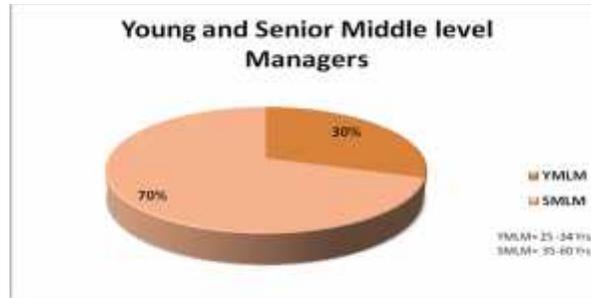
**Table 3.1 Age wise distribution of Employees**

Age	No of Employees	Percentage
25-29	13	8.7
30-34	32	21.3
35-39	51	34
40-44	34	22.7
45-49	15	10
50-54	3	2
55-59	2	1.3
Total	150	100

Source: Primary Data

With respect to age of the respondents, younger middle level managers are only 30% of the population, between 25 to 34years. On the other hand senior middle level managers are more with 70%, between 35 to 60 years, showing more distribution in the middle and higher age group, indicating that organization under study has an experienced work force.

**Pie Chart: 1.1**



**Hypothesis Testing**

H1. The younger aged middle level managers are less engaged than senior middle level managers

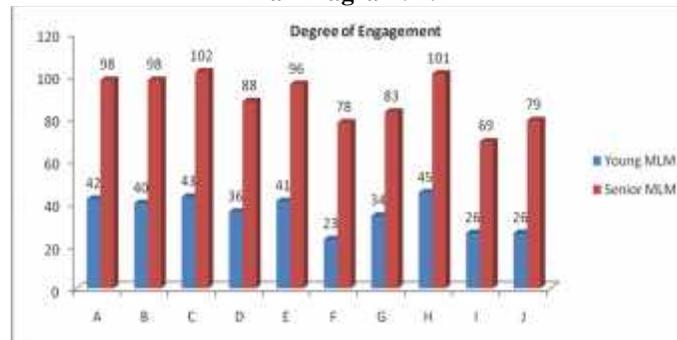
Drivers of Employee Engagement	A	B	C	D	E	F	G	H	I	J
YOUNG MLM	42	40	43	36	41	23	34	45	26	26
SENIOR MLM	98	98	102	88	96	78	83	101	69	79

Source: Primary data

Computed Z- statistic	Z table values	Decision
12.1208	1.96 (At 5%los)	Research Hypothesis is accepted
	2.58 (At 1%los)	Research Hypothesis is accepted

For proving the above research hypothesis, younger aged and senior middle managers are classified based on degree of engagement.(Q no 24 ,A TO J) Z' TEST was done which showed statistical significance at 5% as well as 1% level of significance.

**Bar Diagram: 1.2**



Source: Primary Data

It is inferred from the above graph that the young middle level managers are found to be less engaged when compared to their senior middle level managers. This is also true from earlier research findings indicating that younger aged managers are not highly engaged worldwide.

**Drivers of Employee Engagement**

One of the objectives of the study is to identify factors or drivers which motivate employees towards engagement. There are 15 factors listed as per literature review and respondents are asked to assign ranks from 1 to 15, rank 1 as the lowest and rank 15 is given highest priority.

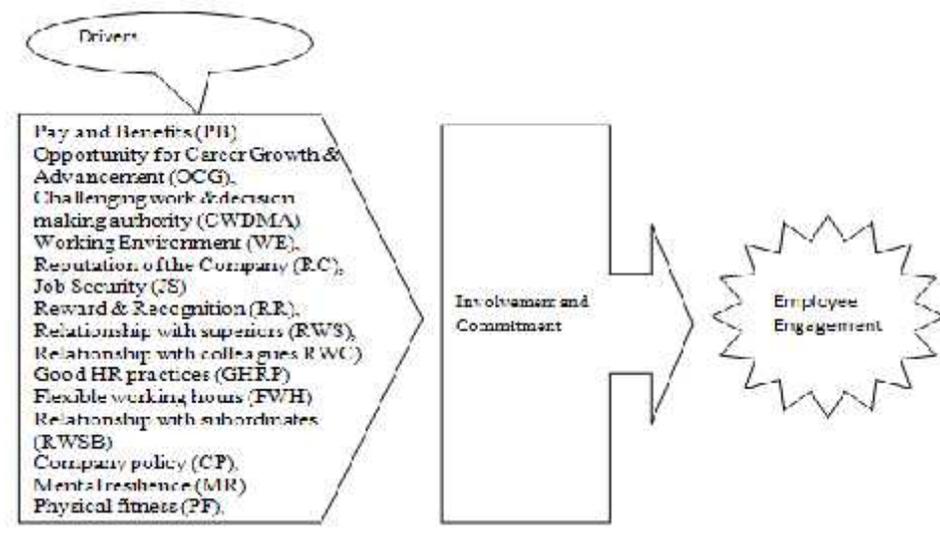
**Table 4.1**

Drivers of Engagement	Ranks	
	High	Low
P B	98.00%	2.00%
OCG	97.33%	2.67%
CWDMA	93.33%	6.67%
WE	64.00%	36.00%
RC	60.67%	39.33%
JS	60.00%	40.00%
RR	48.67%	51.33%
RWS	41.33%	58.67%
RWC	39.33%	60.67%
GHRP	34.00%	66.00%
FWH	30.67%	69.33%
RWSB	26.67%	73.33%
CP	21.33%	78.67%
MR	18.00%	82.00%
PF	10.67%	89.33%

Source: Primary Data

Under the study, Ranks has been assigned by the respondents, based on their priority, with pay and benefits as number one rank followed by opportunity for career growth, challenging work & decision making authority and job security. As per the literature review, all over the world top ranking driver is opportunity for career growth and advancement. However, under the present study the respondents opted for pay and benefits as top ranked driver, of employee engagement.

Based on the study following model was developed  
**Employee Engagement Model**



**Employee Engagement and Retention**

H2: There is a significant relationship between Employee Engagement and Retention. The above hypothesis is tested with the Regression Model is given by

$$Y (\text{Retention}) = X (\text{Employee Engagement}) + C$$

In this case, retention is considered as a dependent variable and employee engagement as independent variable.

**Table 5.1: Employee Retention**

Q28/. code	Statements on Retention	Employee engagement(Q24)*	R	F statistics	Significance
A	Will not look for new job within one year	24(1,2,4,5,6,8,10)	0.591	7.400	<b>0.000</b>
B	Started thinking about not leaving the company	24(1,2,4,5,6,8,10)	0.616	8.422	<b>0.000</b>
C	Will come back to work again in this company	24(1,2,4,5,6,8,10)	0.485	4.249	<b>0.000</b>
D	Will not leave the company	24(1,2,4,5,6,8,10)	0.736	16.280	<b>0.000</b>
E	Job provides lot of challenges both , job and my organization are important	24(1,2,4,5,6,8,10)	0.663	10.836	<b>0.000</b>

The following table shows the description of the independent variables used for the regression model.

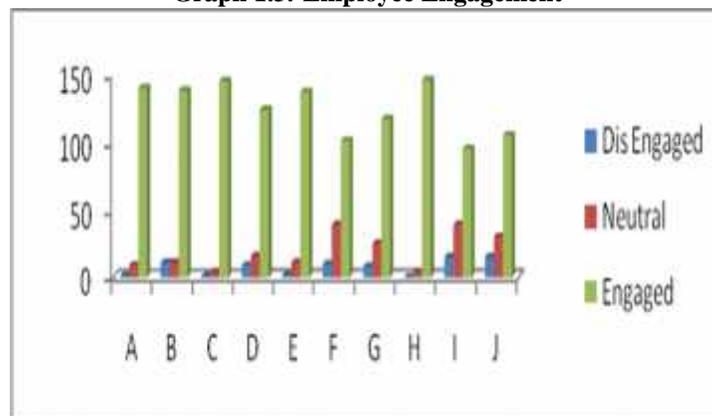
**Table: 6.1: Engagement variables.**

Q.NO24/code	Employee engagement variables
1/A	Lot of pride to work for the company
2/B	Recommend the company as a great place to work
4/D	Recommend to relatives and friends to do business with the company
5/E	Going the extra mile to discharge duties
6/F	Would continue to work in the company for the rest of life
8/H	Attach respect to the company and its employees
10/J	Emotionally attached to the company

Source: Primary Data

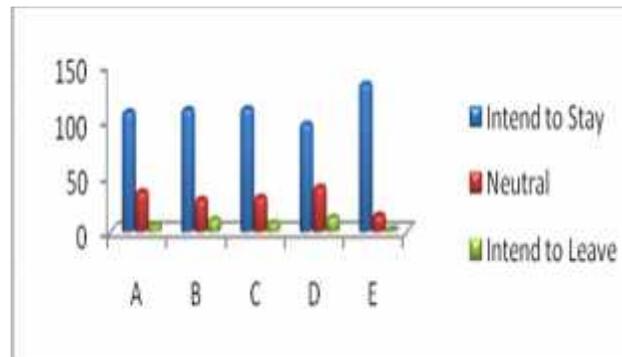
Testing of regression model shows significant in all the cases at 1% level of significance, which proves that employee engagement leads to employee retention with positive correlation.

**Graph 1.3.-Employee Engagement**



The graph shows that up to what extent employees are engaged and disengaged. Large numbers of middle level managers are engaged, as per the survey findings.

**Table 4.2 Employee Retention**



The above bar chart shows that employees intend to stay are maximum compared to neutral and intent to leave. Which otherwise indicates that large number of middle level managers are loyal and engaged. .

### Findings

#### Key Drivers

Based on the analysis of 150 responses, the survey identified, key drivers contributing towards employee engagement. The most important are, pay and benefits, opportunity for career growth, challenging work, and job security. company policy, physical fitness and mental resilience are given least rank by the respondents.

#### Degree of Engagement

Overall level of Employee engagement is found to be significant. Large numbers of middle level managers are engaged in the respondent organizations. Younger aged middle level managers are less engaged. The present study validates earlier studies. (Blessing White Employee Engagement report 2011, Engagement levels are reported higher among older employees – Generation Y is least engaged).

#### Employee Retention

Employee retention is a factor of engagement, indicating that engaged employees are likely to stay with the company for longer periods. The investigation shows that employees intend to stay are maximum compared to neutral and intent to leave. Which otherwise indicates that large number of middle level managers are loyal and engaged, this trend is encouraging and would lead to long term organizational growth.

#### Conclusion

Employee engagement is concerned with the emotional, cognitive and physical aspects of employees. When an employee is psychologically motivated towards his job and to the organization, he becomes involved and gets engaged. Every organization wants to increase engagement levels, as increased employee engagement would lead to increased employee performance, which in turn will enhance the organizational performance. When an organization wants to increase engagement levels, it should look into factors which have a positive correlation with engagement. Organization must look into all those driving factors, if it wants to achieve long term growth and prosperity.

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