

Consequences of Employee Engagement in Neyveli Lignite Corporation Limited, Neyveli

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Abstract

Employee engagement has rarely been studied in the academic literature and fairly little is known about its consequences. Employee engagement has emerged as an important driver of organizational success. The purpose of this study is to identify the consequences of employee engagement and to check the relationship between employee engagement and its consequences in Neyveli Lignite Corporation Limited, Neyveli. The data were collected through a standardized questionnaire, among 356 executive employees in NLC. In this study, correlation among employee engagement and consequences of employee engagement is measured. Results of this study indicate that there is a positive relationship among employee engagement and its consequences.

Keywords: employee engagement, consequences, organizational citizenship behaviour and discretionary effort

Introduction

This paper examines how employee engagement is a fairly new and attractive research topic, its impact on organizational performance and its various consequences. It will also search the significance part of employee engagement on the organizational performance. Employee engagement was first introduced by the Kahn (1990) that “harnessing of organization members' selves to their work roles. In engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”, highlighting that satisfaction is not enough to construct discretionary effort, but that employee engagement, a positive forward moving motivational variable directed toward organizational outcomes, would be more likely to be present in harder functioning employees.

The organization expecting their employees are required who feel active and dedicated, and who are occupied by their work. In other words, organizations need engaged workers. In recent years the term “employee engagement” has taken an essential role on organizational success. “Employee contribution becomes a critical business issue because in trying to produce more output with less employee input, companies have no choice but to try to engage not only the body, but also the mind and the soul of every employee” David Ulrich (1997).

Researchers generally describe engaged employees as individuals who are extremely energized and resilient in performing their profession; put their heart into their jobs with diligence and willingness to invest effort; exhibit tough work attachment along with experience feelings of consequence, enthusiasm, passion, inspiration, pride, excitement, and challenge from their work; and totally concentrate and immerse themselves in their work without noticing that time passes (Bakker & Demerouti, 2008; Schaufeli & Bakker, 2004). This is gaining reputation because it poured significance contact on employee consequences, explaining a wealthy level of attachment, passion and enthusiasm for occupation as compare to other variables like organizational commitment and job satisfaction.

Many have claimed that employee engagement predicts employee outcomes, organizational success, and financial performance (Bates, 2004; Baumruk, 2004; Harter et al., 2002; Richman, 2006).

As Gibbons (2007) noted, "... executives are beginning to realize that employee engagement doesn't mean the same thing to everyone in every company" (p. 1); definitions and dimensions of employee engagement differ greatly across different organizations and consulting groups, and a specific definition of employee engagement remains somewhat elusive (Gibbons, 2007; Saks, 2006; Vance, 2006).

Simpson (2009) identified four categories: personal engagement; work engagement/burnout; work engagement and employee engagement. Employee engagement has been defined as 'an individual employee's cognitive, emotional, and behavioral state directed toward desired organizational outcomes' (Shuck and Wollard 2010). Neyveli Lignite Corporation limited is a profit-earning corporation and it has a saying that "The Power behind the Power" it indicates that, generating the power is behind the manpower. This indicates the employee playing a vital role for earning continuous profitability of NLC. The corporation success is based on engaged employees.

Review of Literature

Employee Engagement

Employee engagement is a mode through which employees put all their powers and devotions to aid the customers of the organization. This results in organization success if employees have potential to give all supportive efforts and acts with their full enthusiasm. Kahn (1990) provided the very first definition of employee engagement as "the harnessing of organizational members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively and emotionally during role performance". Employee engagement is significantly attachment of employees with job, colleague and organization whether absolutely or harmfully which intensely affect employee consent of gaining something new and performance of work. Robinson, Perryman et al. (2004) define that employee engagement is a positive feelings of employees for the organization values, goals and work environment. Interest in the study of employee engagement is emerging day by day; Research has propagated this trust by signifying that organizations with high levels of employee engagement report positive organizational outcomes (Kular, S., et al., 2008). As Wefald (2008) suggested, "so far, research points to a reciprocal relationship between resources, engagement, and positive outcomes".

Consequences of Engagement

Organizational outcomes (i.e. organisational citizenship behaviour, discretionary effort) associated with the degree of employee engagement were proposed as outcome variables for this study. Lloyd (2008) examined whether discretionary effort was distinct from extra in-role behaviors such as customer service and successfully managing ones time and OCB, by using three-factor hierarchical model evidence provided that indicated discretionary effort was a separate construct from both in role behaviors and OCB. Modern developments within the engagement literature have contributed to perceptive the influence of engagement on a range of positive outcomes, including individual performance (Alfes et al. 2010; Bakker and Xanthopoulou 2009). Many consulting firms and organization have indented various business outcomes of employee engagement, including individual productivity and business success.

Organisational Citizenship Behaviour

OCBs are discretionary behaviours that contribute to the organization by fostering a social atmosphere that is contributing to the accomplishment of work, and include such behaviours as helping others, advocating the organization and attending functions not formally required by the organization (Borman and Motowidlo 1997; Organ 1997). Fredrickson's (2001) Broaden and Build theory and related research on positive affect (Fay and Sonnentag 2012) suggests that engagement is associated with increased enactment of OCBs. Broaden and Build theory asserts that people in a positive state such as engagement experience broadened cognition, which is associated with higher levels of creativity, broader scope of attention and openness to information (Fredrickson, 2001) and (Sonnentag, 2003) found that engagement leads to proactive behaviour, taking initiative and the pursuit of learning goals. Empirical evidence has supported the link between engagement and OCBs. Saks (2006), Rich et al. (2010), Babcock-Roberson and Strickland (2010) and Christian et al. (2011) found that engagement leads to higher levels of OCB. Engagement literature has contributed to understanding the influence of engagement on a range of positive outcomes, organizational citizenship behaviour (OCB) (Rich, LePine, and Crawford 2010). The enactment of proactive behavior implies going beyond core task behaviour by developing new strategies or pursuing alternative goals in relation to the organization (Fay and Sonnentag, 2012).

Discretionary Effort

Dubinsky and Yammarino (1985) distinguished discretionary effort from motivation and suggested that individuals with differing levels of motivation vary in the amount of effort they actually expend toward organizational goals. As suggested by Schaufeli & Bakker (2004) and Saks (2006), engaged employees are more likely to work harder through increased levels of discretionary effort and be less likely to leave their organization than those who are disengaged. Discretionary effort is the behavioural manifestation of the cognitive and emotional decision to engage (Macey & Schneider, 2008; Saks, 2006). This statement directly parallels (Saks, 2006) definition of employee engagement, providing a conceptual linkage between discretionary effort and employee engagement. Several studies have supported the use of discretionary effort as an outcome variable of employee engagement. Discretionary effort has long been associated with performance and is defined as an employee's willingness to go above minimal job responsibilities and it is an important organizational variable (Lloyd, 2008) and is thought to be a positive work related outcome of employee engagement (CLC, 2004; Kular et al., 2008; Towers Perrin, 2003, 2007). Discretionary effort is defined as voluntary effort directed toward organizational goals above the minimum work required (Lloyd, 2008). While it is thought that discretionary effort cannot be observed, Lloyd (2008) suggested, "some behaviour, such as cognitive acts of solving a problem or effort [such as discretionary effort], can only be observed as a result of these behaviours". An employee's willingness to engage in discretionary effort indicates an intention to act that result in performance (Lloyd 2008). Effort has been linked to productivity and profit generation and is increasingly used an advantage point for HRD interventions. Increased effort is widely believed to be a behavioral outcome of engagement (Macey and Schneider 2008).

Research Methodology

This study is conducted to identify the consequences of employee engagement. This study type is descriptive in nature. This section describes the method with details on the sample, data analysis techniques and instrumentation.

Research Model

The specific aim of this study is to test the model, which is defining the interrelationships between the variables employee engagement and consequences of employee engagement as shown in figure: 1

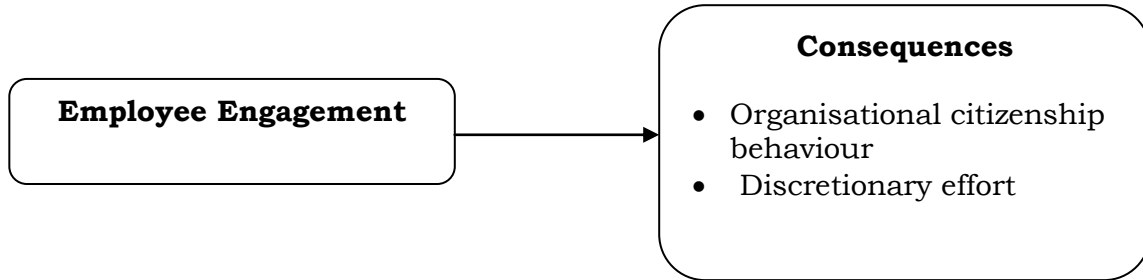


Figure: 1, proposed model of employee engagement

Hypotheses:

Following are hypothesis which are developed for the purpose of this study

Consequences of Employee Engagement

H1: Employee Engagement is positively related to Organizational Citizenship behavior.

H2: Employee Engagement is positively related to Discretionary effort.

Sample & Data Analysis

Descriptive research studies are concerned with describing the characteristics of a particular individual or group. Hence, this study is descriptive in nature. Both primary and secondary data were used for the purpose of this study. The primary data were collected through standardized questionnaire. In this study survey, method is used for data collection. Considering the factors like cost and time questionnaire were distributed to the executive employees of NLC. Because reliability of using this method is high for collecting data and this method will help in elaborating the response of employees more elicit. Totally 356 executive employees were selected for this study from Neyveli Lignite Corporation Limited, Neyveli. Secondary data has been collected from books, journals and websites. Convenience sampling method was adopted for this study. The collected data was tabulated and analyzed through the appropriate statistical techniques i.e. Karl Pearson's correlation and Frequencies. The population for this study consisted of 4259 executive employees in NLC. The sample was drawn from 362 executive employees in NLC which is 8.5% of executive form the population, 356 completed questioners were returned. Of the 356 respondents, 294 were male (82.6%) and 62 were female (17.4%). Table 1 presents the demographic characteristics of the 356 respondents.

Instrumentation

This study relied on formerly developed and validated scales. Employee Engagement: The degree of engagement was adapted from Gallup's 12 key elements of measuring employee engagement (Robinson, 2007). Organizational citizenship behaviour: The 24 item-scale developed by Podsakoff et al. (1990) was used to measure OCB. The developers of this scale reported reliability at 0.96. The variables were described using short statement. Discretionary effort: Discretionary effort was measured using the 7-item Discretionary Effort Scale (DES; Lloyd 2008). The internal consistency reliability estimate for the DES in the present study was $\alpha = 0.93$ ($\alpha = 0.87$ in Lloyd 2008). A Likert rating scale was attached to each statement to

enable respondents to indicate their level of agreement ranging from “strongly agree”, “agree”, “Neither agree nor disagree”, “disagree” or “strongly disagree”.

TABLE: 1 Sample Demographic Variables

Variables	Values	Frequency	Percentage
Gender	Male	294	82.6
	Female	62	17.4
Marital status	Single	18	5.1
	Married	337	94.7
	Separated	1	.3
Nature of family	Joint	90	25.3
	Nuclear	266	74.7
Spouse employed	Yes	102	28.7
	No	235	66.9
	Not applicable	19	4.5
Length of service	<5yrs	22	6.2
	5-15yrs	23	6.5
	15-25yrs	88	24.7
	>25yrs	223	62.6

Table: 1, Show the demographical variables of the respondent with its frequencies and percentage of this study

Correlation

Correlation is a statistical technique which is used to show that how much pair of variables are related with each other. So in this study correlation is also to check that how much variables are related with each other. Table 2 shows the Pearson’s correlation results:

TABLE: 2
PEARSON’S CORRELATION TABLE OF STUDY VARIABLES

Correlations

		EMPLOYEE ENGAGEMENT	ORGANIZATIONAL CITIZENSHIP BEHAVIOUR	DISCRETIONARY EFFORT
EMPLOYEE ENGAGEMENT	Pearson Correlation	1	.272**	.106*
	Sig. (2-tailed)	.	.000	.046
	N	356	356	356
ORGANIZATIONAL CITIZENSHIP BEHAVIOUR	Pearson Correlation	.272**	1	.294**
	Sig. (2-tailed)	.000	.	.000
	N	356	356	356
DISCRETIONARY EFFORT	Pearson Correlation	.106*	.294**	1
	Sig. (2-tailed)	.046	.000	.
	N	356	356	356

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Above table, indicate the results of Person’s correlation of the study variables. Result indicate that there is a significant relationship between Employee Engagement and Organisational Citizenship Behaviour where $R=0.272$ and $P<0.01$. So we accept our hypothesis H1 and reject our alternate hypothesis. The result also shows that there is 1% level of significant between employee engagement and organizational citizenship behaviour and it is positive relationship. In case of discretionary effort above results shows that there is 5% level of significant relationship between employee engagement and discretionary effort where $R=106$ and $P<0.05$ level respectively. It shows there is positive relationship between employee engagement and discretionary effort, so we accept our hypothesis H2. Table 2 shows that there is a positive relationship between employee engagement and consequences of employee engagement.

Findings and Suggestion

The Result shows positive relationship between employee engagement and consequence of employee engagement (i.e. organisational citizenship behaviour, discretionary effort) among the executive employees in NLC. In addition to this study we also found that there is also relationship between organisational citizenship behaviour and discretionary effort. The results of this study suggest that there is still an energetic role for discretionary effort, Organizational citizenship behaviour to strengthen employee engagement to gain desired outcomes. This study also contributes to knowledge of the consequences of employee engagement and approves the importance of positive attitudes and employee engagement as antecedents of Organizational citizenship behaviour and discretionary effort. Employee must be known that the effort they do is important for the success of organization. Effective training must be given for the employees so that they feel free and fully able to handle their job without any fear. The resource that is needed for the employees to get their job done best must be made available so that employees will be engaged to their fullest potential.

Conclusion

This research concluded that executive employees of NLC Ltd., are highly engaged. The consequences of employee engagement are organisational citizenship behaviour and discretionary effort, which leads to high level employee engagement in NLC and the engaged employee also act as the back bone of the corporation success. It is also found that there is positive relationship between employee engagement variable and its consequences i.e., organisational citizenship behaviour and discretionary effort. Employee Engagement is a positive attitude held by the employee towards the organization and its values. Employee Engagement is rapidly gaining popularity, use and importance in the workplace and impacts organization in many way. Neyveli Lignite Corporation limited is a profit earning corporation and it has a saying that “The Power behind the Power” it indicates that, generating the power is behind the manpower. Hence, employee engagement consequences play the vital role for the engagement level of employee in NLC.

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