



# A Role in Propelling Employee Engagement on Current Hr Issues of Small Scale Sectors in Madurai City.

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ABSTRACT

Employee engagement is an important employee performance and organization management topic. The importance of this topic is proven by its positive consequences for employee in the small scale sector in Madurai city. There are numerous positive outcomes from building employee engagement, and both management and executive seem to be more or less consistent regarding the benefits of employee engagement. Almost all small scale industry that there is a connection between employee engagement and profitability increase through higher productivity increased sales, customer satisfaction and employee retention.

In small scale sector, positive consequences on work engagement are also associated with customer satisfaction, productivity, profit, employee turnover, positive work attitudes, individual health, extra-role behaviours and performance.

KEYWORDS

Employee engagement, Small scale industry, employee turnover, management

Introduction

**Employee engagement** is a property of the relationship between an organization and its employees. An "engaged employee" is one who is fully absorbed by and enthusiastic about their work and so takes positive action to further the organization's reputation and interests.

An organization with 'high' employee engagement might therefore be expected to outperform those with 'low' employee engagement, all else being equal. There are, however, a range of definitions that have emerged around concepts relating to employee engagement.

There are differences between attitude, behaviour and outcomes in terms of engagement. Outcomes may include higher productivity, fewer conflicts, more innovation, lower numbers leaving and reduced sickness rates. But we believe all three – attitudes, behaviours and outcomes – are part of the engagement story. There is a virtuous circle when the pre-conditions of engagement are met when these three aspects of engagement trigger and reinforce one another.

Origin of Employee Engagement

Employee engagement may seem a relatively recent concept but actually it goes back over 20 years when the term first appeared in an academic journal in 1990. Prior to that, during the 70's and 80's, HR's focus was on **employee satisfaction**. But this had little or no connection with performance and was more about the employee than the organisation or the employee's relationship with it.

The focus then moved from satisfaction to **commitment** in return for a job, and possibly a job for life, the employee would be loyal and commit himself to the organisation. While commitment is an important element of and predictor of engagement it cannot replace engagement.

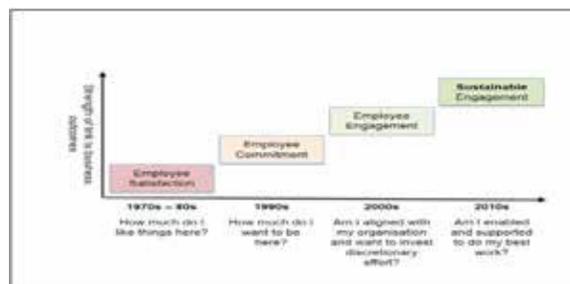
But then things started to change. Increased global competition and the shift from a manufacturing economy to a service one meant employers needed to be more flexible, leaner and competitive. Traditional industries closed or were severely cut back and employees learned the hard way that there were no jobs for life, that to progress in their careers they too needed to be more flexible and move to where the opportunities were.

The rise of engagement

It is at this point in the story - during the naughtiest - that

the concept of engagement matured. Key to this was a paper published by the Institute of Employment Studies (IES) in 1990 '*From People to Profits, the HR link to the service-profit chain*' which showed how employee attitudes and behaviour could improve customer retention and consequently sales performance. The fact that the UK had become a service-based economy made the report's findings even more relevant and increased the focus on employees and their interaction with customers. For service-based businesses, the old mantra that 'staffs are your greatest asset' became 'staffs are your *only* asset.' This led to greater incentives to invest in staff as the returns were seen as greater employee commitment, motivation, productivity and ultimately profit.

The business case for engagement was supported by another similar study in 2002 which also showed the link between engaged employees and profit. What had back in 1990 been confined to predominantly academic circles was now being discussed and implemented at practitioner level. Organisations began to see the potential that engagement had to positively affect a whole raft of HR and business measures including employee retention, absenteeism and turnover; sales; profitability and customer service/satisfaction scores.



Evolution of engagement

NEED FOR ENGAGEMENT

- Employee perceptions of job importance
- Employee clarity of job expectations
- Career advancement / improvement opportunities
- Regular feedback and dialogue with superiors
- Quality of working relationships with peers, superiors, and subordinates
- Perceptions of the ethics and values of the organization
- Effective internal employee communications

## Global Workforce Report

Engaged employees are rare. According to Gallup's [State of the Global Workplace](#) report, only 13% of employees worldwide are engaged at work. New Zealand has one of the highest levels of engaged employees among the countries surveyed, at 23%. Australia's engagement rate is similar, at 24%. But both countries fall short of the United States, where 30% of employed residents are engaged at work.

The majority of New Zealand's workforce is not engaged: 62% of New Zealanders reluctantly head to work, lacking energy and passion for their jobs. Converting this group of employees into engaged workers is the most effective strategy that any company in New Zealand can implement to increase performance and sustainable long-term growth.

The *State of the Global Workplace: Employee Engagement Insights for Business Leaders Worldwide* report highlights findings from Gallup's ongoing study of workplaces in more than 140 countries from 2011 through 2012. This is a continuation of Gallup's previous report on employee engagement worldwide, which covered data from 2009 through 2010. This latest report provides insights into what leaders can do to improve employee engagement and performance in their companies. It includes regional analyses of employee engagement

Employees' overall life evaluations in Canada and the U.S. are among the highest in the world, with 59% classified as "thriving." However, employees who are least happy at work i.e., those who are actively disengaged are far less likely than engaged or not engaged workers to view their lives that positively. Employees' day-to-day emotional states also reflect these differences. Almost all engaged employees in the two countries (94%) and the vast majority of not engaged workers (88%) say they experienced enjoyment for much of the previous day, but that number falls considerably to 72% among actively disengaged employees. Similarly, actively disengaged employees are more likely than other workers to say they felt angry the previous day. Perhaps most tellingly, while slightly less than one third of employees overall in the U.S. strongly agree that they like what they do each day, this number doubles to about two-thirds among engaged workers.

## Improving India's Economy Requires Tapping Workers' Potential

Ninety-one percent of employed Indians are not psychologically committed to their organizations or as productive as they could be i.e., they are not engaged at work. Perhaps the most pressing issue for leaders in India is the high proportion of "disruptors" the 31% of employees who are actively disengaged. These employees are not just unhappy, but busy acting out their unhappiness and undermining their engaged co-workers' accomplishments. With declining confidence in the job market 34% of employed Indians in 2012 say it is a good time to find a job in their areas, down significantly from 41% in 2011 and fewer job opportunities; many actively disengaged employees may feel they are currently unable to move on. India's extremely low employee engagement levels not only affect productivity in today's workplaces, but also the potential for innovation in tomorrow's products and services. Companies in every sector are struggling to innovate to achieve competitive advantage against a slowing economic climate. Although numerous external factors influence the economic situation in India, the greatest asset that leaders can measure, monitor, and improve is the nation's "human capital." Leaders in India need to learn from what the best organizations around the world do differently, and start with three core strategic initiatives to begin spreading a culture of engagement throughout Indian organizations:

**1. Focus on the "People" Aspects of Your Performance Management System:** A research analysis of more than 50,000 Indian employees working in 10 major industry sectors in 22 global companies revealed that more than half (54%) felt their company's performance management system was

not effective. This perception is likely to demotivate employees, creating feelings of anguish or frustration that negatively affect their performance and engagement. The results make it clear that India's business leaders must not rely merely on "process" elements, such as job descriptions and ratings criteria, to increase workplace engagement. Systems that develop the right people according to their unique talents are essential for creating high-performance workplace cultures.

Taj Hotels Resorts and Palaces, one of India's largest hospitality chains, offers an excellent example of such a culture. The company's 24,000 employees are committed to not just satisfying, but delighting, thousands of customers at more than 100 hotels and resorts every day. In order to sustain that commitment, the company's entire management structure is focused on action plans designed to keep its employees engaged and happy.

## 2. Hire and Develop Good Midlevel Managers:

Midlevel managers make or break the leadership vision for Indian organizations. No amount of compensation or benefits can fix the ill effects of a bad manager on his or her immediate team members.

## 3. Give Indian Employees the Opportunity to Perform at Their Best:

Today, in spite of management teams' best intentions to create a beneficial learning climate, many training and development programs introduced by Indian organizations fail to produce the desired results. These efforts often fall short because they don't factor in employees' talents. Remedying this begins with improving companies' capacity to identify employees' talents, put employees in the right roles, and develops them according to their inherent strengths.

## Industrial Scenario on Madurai District

The growth of small-scale industries in the industrial map of Madurai district shows the concentration of industries in a few areas/ pockets like Madurai, Thirumangalam and Usilampatty. The other areas of the district have got less significance. The foot loose industry is the single most enterprises still dominating the district. The location of industries is the prime task. Instead the district economy has managed to turn its fate and now ranks top among the most industrial centres in Tamil Nadu, accounting for a sizeable part of the State's revenue. Though the industrial growth is confined to few pockets, existing industrial climate will give a way to attract new investment opportunities in Engineering, chemical, readymade garments, and paper and textile industries in this district.

In Madurai for SSI it is even important to have emotionally engaged and passionate employees. They play a critical role in driving innovation and propelling the organization forward. In SSI sector, to build a great workplace and increase employee engagement, there are a few innovative practices can be adopted.

## The important features of small-scale industries in this district are

- Major concentration of industries found clustered in and around Madurai, Thirumangalam and Usilampatty.
- Chunk of Agricultural implements manufacturing industries are clustered in Melur.
- Food Products, Textile machinery, Garments, Chemical, Stove & Spares units are concentrated in Madurai.
- Knitted Garments industries are concentrated in Urangampatti

## Conclusion

There are numerous positive outcomes from building employee engagement, and both management and executive seem to be more or less consistent regarding the benefits of employee engagement. Almost all small scale industry that there is a connection between employee engagement and profitability increase through higher productivity increased sales, customer satisfaction and employee retention. Employ-

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