A STUDY ON EMPLOYEE ENGAGEMENT IN CONSTRUCTION FIRMS WITH SPECIAL REFERENCE TO COIMBATORE CITY

P. KARTHIKEYAN¹, N.DEVI² & J. MIRUDHUBASHINI³

Assistant Professor, Department of Management Studies  Kalaignar Karunanidhi Institute of Technology, Coimbatore
Assistant Professor, Department of Management Studies, Kurinji College of Engg and Technology, Manaparai,Trichy
Student, Department of Management Studies,  Kalaignar Karunanidhi Institute of Technology, Coimbatore

ABSTRACT

For past several years, ‘Employee Engagement’ has been a hot topic in the corporate circles. It is a buzz word that employers think they understand, but face difficulties and challenges while practicing. The purpose of this study is to examine and gain a better understanding of the factors that influence the employee engagement in construction sector. Today India is the second fastest growing economy in the world. The Indian construction industry is an integral part of the economy. The study conducted among the various Builders in the Coimbatore city. Data were gathered through questionnaires and was being analyzed by using Statistical Package for Social Science (SPSS) version 16. The results confirm that there is a significant relationship between the five factors namely Organization's Culture, Leadership, Career Development, Compensation benefits, and Quality of work life balance with the Employee Engagement. Among all five factors three factors Compensation benefit, Leadership and Organization's Culture are found to be the most influencing factors to employee engagement in among the employee working in construction sector.

KEYWORDS: Employee Engagement, Organization's Culture, Career Development, Compensation Benefits, Quality of Work Life Balance, Commitment towards Job

INTRODUCTION

In the history quite a few years, many authors have written on the topic ‘Employee Engagement’. Kahn (1990)¹ was the first to coin the term Employee Engagement as he described how people can “use varying degrees of their selves – physically, cognitively and emotionally in work role performances”. One burning question of 21st century is that in spite of providing good pay packets and benefits, many organizations lose top performers to the competitors for no apparent reasons. Though, some employee turnover is normal, but if an organization is truly engaging its employees, the possibility of unexpected loss of skilled, experienced and motivated quality workforce is less. Hewitt defines the Staff commitment and a sense of belonging to the organization and the Scarlett Surveys, says “Employee Engagement is a measurable degree of an employee's positive or negative emotional attachment to their job, colleagues and organization that profoundly influences their willingness to learn and perform at work”. Thus engagement is distinctively different from employee satisfaction, motivation and organizational culture. Harter and Schmidt's (2003) most recent meta-analyses can be useful for understanding the impact of engagement. Establishing an engaged workforce is now a high priority for many organizations in both the private and public sectors. Many employers feel that engaged employees outperform others by showing heightened interest in their work and being prepared to ‘go the extra mile’ for their organization.

¹ Kahn W.A., (1990), Psychological conditions of personal engagement and disengagement at work, Academy of Management Journal, 33, pp 692-724
Today, India is the second fastest growing economy in the world. The Indian construction industry is an integral part of the economy and people's rising expectations for improved quality of living. Construction accounts for nearly 65 per cent of the total investment in infrastructure and is expected to be the biggest beneficiary of the surge in infrastructure investment over the next five years.

LITERATURE REVIEW

Employee engagement has been defined differently by different scholars and HR practitioner. However Erickson (2005)\(^2\) definition on employee engagement is emphasized on employee cognitive connection to work or organization and subsequently behaviors that they demonstrate on the job satisfaction and commitment (both cognitive concepts) and their impact on how hard an employee is willing to work. Macey, W. H., & Schneider, B., (2008)\(^3\) also identifies retention as one of these behavioral outcomes. While the second group are focuses on the emotional attachments. Bates (2004) and Gubman (2004) both generally refer to engagement as a heightened emotional attachment to one’s work, organization, manager, or co-workers. straddles the cognitive and emotional approaches by defining engagement as “the state in which individuals are emotionally and intellectually committed.

Finally, a third group focuses primarily on the behavioral outcomes, regardless of the causes. Towers Perrin HR Services, (2003)\(^4\), Shaffer (2004), refer to engagement as the employee’s willingness to expend discretionary effort on the job. Buckingham, M. & C. Coffman (1999)\(^5\). Places the emphasis on an employee’s commitment to staying with his/her company. (Konard, 2006)\(^6\) claims in his study that how high-involvement work practices can contribute in effective employee engagement. According to (Richman, 2006)\(^7\), when employees are open and without any organizational pressure render their service voluntarily in terms of extra time and put extra effort and energy into their job is called engagement. Organizational Climate and corporate identity are closely related and intertwined with each other.(Hatch and Schultz, 1997). Hence, Ambler and Barrow (1996) state that organizational climate is associated with the values that support the organizational strategy or corporate identity (Abratt,1989). (Paradise, 2008)\(^8\) According to him some employees stated that there are few opportunities for advancement and what was required to move up. Most of workers believed that their companies took a real concern in employee’s welfare. Organizations use language of a soft approach when talking of training, commitment and development.

OBJECTIVES OF THE STUDY

The objectives of the study is to find out the level of influence by the below factors leads employee engagement in Construction Sector

- Organization's culture
- Leadership on employee
- Career development.
- Compensation Benefits
- Quality of Work Life balance
- To identify which among the five variables are the most important factors relates to employee engagement.

FACTORS LEADING TO EMPLOYEE ENGAGEMENT

Studies have shown that there are some critical factors which lead to Employee engagement. Some of them identified are

Factors That Influence Employee Engagement (2009)⁹

- Career Development- Opportunities for Personal Development
- Career Development – Effective Management of Talent
- Leadership- Clarity of Company Values
- Leadership – Respectful Treatment of Employees
- Leadership – Company’s Standards of Ethical Behavior
- Empowerment
- Equal opportunities & fair treatment
- Performance Appraisal
- Pay & benefits
- Health & Safety
- Job satisfaction
- Communication
- Family friendliness
- Co-operation

Figure 1: Factors Leading to Employee Engagement

• Image
• Equal Opportunities and Fair Treatment
• Pay and Benefits
• Health and Safety
• Job Satisfaction
• Communication
• Family Friendliness
• Co-operation

CONCEPTUAL FRAMEWORK OF THE STUDY

Based on the literature review and problem statement, the following conceptual framework has been developed. A New Framework of Employee Engagement White paper by this model focuses on the factors that could have effect on the employee engagement in construction sector. "Employee Engagement: Conceptual Issues", (2006)\textsuperscript{10} The predictors to employee engagement namely Organization's culture, Leadership, Career Development, Compensation benefits, Quality of work life which are considered as a five major factors leading to employee engagement.

![Conceptual Framework of Study](image)

**Figure 2: Conceptual Framework of Study**

HYPOTHESIS

H1. **Organization's Culture** will be positively related to employee engagement.

H2. **Leadership** will be positively related to employee engagement

\textsuperscript{10} "Employee Engagement: Conceptual Issues", Article by Beverly Little, Philip Little, Western Carolina University, Journal of Organizational Culture, Communications and Conflict, Volume 10, No. 1, 2006
H3. Career Development will be positively related to employee engagement

H4. Compensation Benefits will be positively related to employee engagement

H5. Quality of work life balance will be positively related to employee engagement

RESEARCH METHODOLOGY

Population and Sampling

The unit analysis is individual level. The population of this study covers builders with special references to Coimbatore city. Based on the sample size decision guidelines, the sample size for population size (P) 156 is (S) 97. Hence, 97 employees in Construction Firms in Coimbatore city were randomly selected for this study.

ANALYSIS AND INTERPRETATION

After collecting the information from the questionnaires, a few procedures has been done such as checking the data for accuracy. Besides that the questions were being coded to enable for analysis using Statistical Packages for the Social Science (SPSS).

The analysis of data begins with reliability test for the scales through Cronbach’s Alpha. The Cronbach Alpha testing was used as it is the most well accepted reliability test tools applied by social researcher. In Cronbach’s Alpha reliability analysis, the closer Cronbach’s Alpha to 1.0, the higher the internal consistency reliability. Cronbach measures

- Reliability less than 0.6 considered poor.
- Reliability in the range 0.7 is considered to be acceptable.
- Reliability more than 0.8 are considered to be good

Secondly, in order to determine whether there are significant relationships among the independent variables and dependent variable, Pearson Correlation Coefficient analysis were carried out. The scale model suggested by Davies (1971) used to describe the relationship between the independent variables and the dependent variable, are as shown below:

- 0.7 and above – very strong relationship,
- 0.50 to 0.69 – strong relationship,
- 0.30 to 0.49 – moderate relationship,
- 0.10 to 0.29 – low relationships and
- 0.01 to 0.09 – very low relationship.

Thirdly, Oneway ANOVA (Analysis of Variance) was conducted to exam which among the five independent variables is the most important variables in influencing employee engagement. In the event of significant value, the F statistics and its significant level are known; the result can then be interpreted.

Finally, frequency distribution is being carried out to obtain a count of number of responses associated with different values of one variable and to express these counts into percentage terms.
FINDINGS

Reliability Analysis

The closer the reliability coefficient gets to 1.0, the better it is, and those values over .80 are considered as good. That value in the .70 is considered as acceptable and those reliability values less than .60 is considered to be poor. Reliability is the degree to which measure are free from error and therefore yield consistent results.

<table>
<thead>
<tr>
<th>Variables</th>
<th>No. of Items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture</td>
<td>6</td>
<td>0.769</td>
</tr>
<tr>
<td>Leadership</td>
<td>5</td>
<td>0.771</td>
</tr>
<tr>
<td>Training and Development</td>
<td>5</td>
<td>0.735</td>
</tr>
<tr>
<td>Compensation Benefits</td>
<td>4</td>
<td>0.718</td>
</tr>
<tr>
<td>Quality of Work Life</td>
<td>5</td>
<td>0.716</td>
</tr>
</tbody>
</table>

As shown in table, alpha values for variables are above 0.7 which is considered as acceptable.

MAJOR FINDINGS

The results of Pearson Correlation Analysis and Linear Regression are presented in the following section.

Pearson Correlation Coefficient

The study that includes several variables, beyond knowing the means and standard deviations of the dependent and independent variables, the researcher would often like to know how one variable is related to another. A Pearson correlation matrix will provided this information, which is it will indicate the direction, strength and significance of the bivariate relationships of all the variables in the study.

Table 2: Inter Correlations of the Major Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Organisational Culture</th>
<th>Leadership</th>
<th>Training and Development</th>
<th>Compensation Benefits</th>
<th>Quality of Work Life</th>
<th>Employee Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational Culture</td>
<td>1</td>
<td>.606**</td>
<td>.272**</td>
<td>.345**</td>
<td>.308**</td>
<td>.492**</td>
</tr>
<tr>
<td>Leadership</td>
<td>.606**</td>
<td>1</td>
<td>.361**</td>
<td>.372*</td>
<td>.231</td>
<td>.498**</td>
</tr>
<tr>
<td>Training and Development</td>
<td>.272**</td>
<td>.361**</td>
<td>1</td>
<td>.253*</td>
<td>.384**</td>
<td>.437**</td>
</tr>
<tr>
<td>Compensation Benefits</td>
<td>.345**</td>
<td>.372**</td>
<td>.253*</td>
<td>1</td>
<td>.386**</td>
<td>.499**</td>
</tr>
<tr>
<td>Quality of Work Life</td>
<td>.308**</td>
<td>.231*</td>
<td>.384**</td>
<td>.386**</td>
<td>1</td>
<td>.345**</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>.492**</td>
<td>.498**</td>
<td>.437**</td>
<td>.499**</td>
<td>.345**</td>
<td>1</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
* . Correlation is significant at the 0.05 level (2-tailed).

Hypothesis 1: Organization’s Culture will be positively related to employee engagement

Hypothesis 2: Leadership will be positively related to employee engagement

Hypothesis 3: Career Development will be positively related to employee engagement
Hypothesis 4: Compensation Benefits will be positively related to employee engagement

Hypothesis 5: Quality of work life balance will be positively related to employee engagement

ONEWAY ANOVA

From the table below, it shows sufficient explanation or the variance. The One-way ANOVA treated the dimension of dependent variables and independent variables separately. This is a way to recognize whether there is significant relationship between variables or not. The model sufficiently explained the variance or significant value. Five variables that are recognized in this study are organization culture, leadership, career development, compensation benefits and quality of work life balance. The Result is Illustrated in Table

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organisational Culture</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>9.830</td>
<td>3</td>
<td>3.277</td>
<td>9.937</td>
<td>.000</td>
</tr>
<tr>
<td>Within Groups</td>
<td>30.665</td>
<td>93</td>
<td>0.330</td>
<td>9.937</td>
<td>.000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40.495</strong></td>
<td><strong>96</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Leadership</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>12.750</td>
<td>3</td>
<td>4.250</td>
<td>11.627</td>
<td>.000</td>
</tr>
<tr>
<td>Within Groups</td>
<td>33.993</td>
<td>93</td>
<td>0.366</td>
<td>11.627</td>
<td>.000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>46.742</strong></td>
<td><strong>96</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Training and Development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>9.448</td>
<td>3</td>
<td>3.149</td>
<td>8.000</td>
<td>.000</td>
</tr>
<tr>
<td>Within Groups</td>
<td>36.614</td>
<td>93</td>
<td>0.394</td>
<td>8.000</td>
<td>.000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>46.062</strong></td>
<td><strong>96</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Compensation Benefits</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>12.698</td>
<td>3</td>
<td>4.233</td>
<td>11.842</td>
<td>.000</td>
</tr>
<tr>
<td>Within Groups</td>
<td>33.240</td>
<td>93</td>
<td>0.357</td>
<td>11.842</td>
<td>.000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45.938</strong></td>
<td><strong>96</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Quality of Work Life</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>5.686</td>
<td>3</td>
<td>1.895</td>
<td>5.306</td>
<td>.002</td>
</tr>
<tr>
<td>Within Groups</td>
<td>33.221</td>
<td>93</td>
<td>0.357</td>
<td>5.306</td>
<td>.002</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38.907</strong></td>
<td><strong>96</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From the table, it is clear that the significant value is less than .05 for all the five variables which shows there is a significant relationship between these variables with employee engagement.

FINDINGS

The summary of the analysis is exhibited in Table below

<table>
<thead>
<tr>
<th></th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H1. Organization’s Culture</strong> will be positively related to employee engagement</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>H2. Leadership</strong> will be positively related to employee engagement</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>H3. Career Development</strong> will be positively related to employee engagement</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>H4. Compensation Benefits</strong> will be positively related to employee engagement</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>H5. Quality of work life balance</strong> will be positively related to employee engagement</td>
<td>Accepted</td>
</tr>
</tbody>
</table>
From the above findings, one way ANOVA concludes that all five variables are significantly related to employee engagement. Among all five factors three factors Compensation benefit, Leadership and Organization's Culture are found to be the most influencing factors to employee engagement in Construction Firms as per correlation analysis.

CONCLUSIONS

The survey has been done with the full cooperation of the employees and the management. It has revealed the areas of improvement which the organization needs to cater. It can be certainly concluded that high levels of employee engagement will lead to improved employee commitment & involvement towards job and thus creating a motivated workforce that will work together to achieve the common goals of the organization Highly. The six objectives in this study have been achieved whereby the results had shown that organization culture, leadership, career development, compensation benefits, quality of work life are related to group performance. Among all the five factors of employee engagement, organization culture, leadership, and compensation benefits are found to be having higher level of employee engagement in the context of Construction Firms in Coimbatore city Therefore they should channel more time and resources in this area as it brings a great impact in enhancing the level of engagement in Construction Firms in Coimbatore city. Overall the model is explained 59.8% of employee engagement. This value is considered as acceptable. Hope that more research will be conducted in the future in order to gain a whole understanding of employee engagement as other factors may also contribute to employee engagement.

REFERENCES


14. Research methods for Business”, Uma Sekaran, Wiley India, New Delhi, 2006


17. A review of literature: EMPLOYEE ENGAGEMENT IN THE PUBLIC SECTOR {4-consulting,15 Palmerston Road, Edinburgh, EH9 1TLin association with DTZ Consulting & Research ,One Edinburgh Quay,133 Fountainbridge, Edinburgh, EH3 9QG (Scottish Executive Social Research May 2007)