

A Study on Employee Engagement in Insurance Sector in Madurai

P. Anbuoli¹ and V.B. Devibala²

¹Faculty , Department of Management Studies, Anna University of Technology Madurai, Madurai

²Asst Professor, Michael Institute of Management, Michael garden, P&T Nagar, Madurai -17

¹Email : dr.anbuoli@autmdu.ac.in ²Email: bala_0159@rediff.com

ABSTRACT - The concept of employee engagement is rapidly gaining popularity and is used in workplace to retain quality employees. It is the art and science of engaging people in authentic and recognized connections to strategy, roles, performance, organization, community, relationship, customers, development, energy, and well-being to leverage, sustain, and transform work into results.

Since engagement is about both the heart and the mind, it stands for the extent to which the employees are groomed in terms of job involvement, organisation commitment and job satisfaction. This study examines the factors that influence employee engagement and measures the overall level of employee engagement in insurance sector. Sample for the study was collected from 80 executives working in insurance companies in Madurai. Data were collected with the help of a structured questionnaire and analysed using frequency distribution and chi-square. The findings reveal the various factors that influence the level of employee engagement and suggest measures to improve it. From the study, it is concluded that vibrant measures of employee engagement are needed for achievement of organization goals.

Keywords: *employee engagement, organization commitment, job involvement*

1. INTRODUCTION

Employee engagement has become a hot topic in recent years. To retain employees in the organization follows the certain concepts such as employee, review, employee satisfaction and employee delight. The latest idea is "Employee Engagement", a concept that holds that it is the degree to which an employee is emotionally bonded to organization.

Engagement is about motivating employees to do their best. An engaged gives the company his hundred percent. The quality of output and competitive advantage of a company depends upon the quality of its people.

When employees are effectively and positively engaged with their organization the form an emotional connection with the company. This impacts their attitude towards

company's clients, and thereby improves customer satisfaction and service levels.

Most organization realizes today that a satisfied employee isn't necessarily the best employee in terms of loyalty and productivity. It is only an engaged employee who is intellectually and emotionally bound with the organization, feels passionately about its goals and is committed towards its value who can be termed thus. So HR department included Employee Engagement to improve productivity of the organization.

2. LITERATURE REVIEW

In an extension of the Gallup findings, Ott (2007) cites Gallup research, which found that higher workplace engagement predicts higher earnings per share (EPS) among publicly-traded businesses. When compared with industry competitors at the company level, organisations with more than four engaged employees for every one actively disengaged, experienced 2.6 times more growth in EPS than did organisations with a ratio of slightly less than one engaged worker for every one actively disengaged employee. The findings can be considered as reliable as the variability in differing industries was controlled by comparing each company to its competition, and the patterns across time for EPS were explored due to a 'bouncing' increase or decrease which is common in EPS (Ott 2007).

Saks (2006) argues that organisational commitment also differs from engagement in that it refers to a person's attitude and attachment towards their organisation, whilst it could be argued that engagement is not merely an attitude; it is the degree to which an individual is attentive to their work and absorbed in the performance of their role. In addition, while OCB involves voluntary and informal behaviours that can help co-workers and the organisation, the focus of engagement is one's formal role performance rather than purely extra-role and voluntary behaviour.

Although there is abundant social services research on burnout, empirical data on employee engagement are limited (Freeney & Tiernan, 2006). Most of what has been written has come from consulting firms and those practicing in the field of management (Saks, 2006). The following review of the literature will discuss the evidence on burnout, including its costly negative effects and how it is now being compared to engagement. Highlights from previous studies on

A Study on Employee Engagement in Insurance Sector in Madurai

employee engagement will also be reviewed. Additionally, studies which examine predictive factors for burnout and engagement will be explored.

Staff members in human service occupations work closely with the individuals they serve. They are a vital link in the chain of services provided to our nation's weak and vulnerable populations. However, working in the field is demanding, and employee emotional exhaustion is common (Maslach, Schaufelli, & Leiter, 2001).

Not surprising then, human service workers have been identified as an occupational class with above average risk for burnout (Soderfeldt, Soderfeldt, & Warg, 1995). Consequently, researchers have been studying correlates and consequences of burnout for decades. It is further understood that burnout has a negative impact not only upon individual workers but upon entire organizations, including other agency staff as well as the clients they serve (Garner, Knight, & Simpson, 2007).

This study proposed that consideration should be given to the concept of "engaging" workers in a rejuvenation effort intended to alleviate the negative and costly effects of burnout in the field of human services.

According to May *et al* (2004) engagement is most closely associated with the constructs of job involvement and 'flow' (Csikszentmihalyi 1990). Job involvement is defined as 'a cognitive or belief state of psychological identification' (Kananga 1982:342). This differs from engagement in that it is concerned more with how the individual employs him/her self during the performance of his/her job. Furthermore, whilst the focus of job involvement is on cognitions,

$$\frac{12}{21.026} \alpha^2 = 109.82$$

Reject

engagement, according to most definitions, also encompasses emotions and behaviours. The second related construct, the notion of 'flow', is defined as the "holistic sensations that people feel when they act with total involvement" (Csikszentmihalyi 1975:36). It is argued that individuals in a flow experience need no external rewards or goals to motivate them, as the activity itself presents constant challenges (ibid). However, whilst flow is primarily the cognitive involvement of the individual in an activity on a momentary basis, definitions of engagement imply a longer-term.

3. METHODS

In order to understand the Employee Engagement of the Insurance sectors employees, a descriptive research design was planned and the details are as follow:

Simple random sampling method was used to collect the data from the respondents. The study was conducted in Insurance Sectors in Madurai and hence the sample for the study was selected among the white collar employee's.

The respondents were met in person, the questionnaires were distributed and the objective of the study was explained to them and the queries were answered so that a clear

understanding the necessity of the data collection could be done by the researcher.

Both primary and secondary data were collected. The primary and secondary data were collected. The primary data was collected through structured questionnaire from employees. Secondary data was collected from the company for study the engagement levels and details for this study.

A. Objectives of the study

The objective of the study is to study the Employee Engagement of employees in insurance sectors and identify the employee engagement factors which influence the employee in their jobs. To analysis the employees levels of engagement in their jobs and provide suggestion to improve employee engagement level in insurance sectors.

4. ANALYSIS AND RESULT

Data collected through questionnaire were analysis by using appropriate Statistical tools like:

- 1) Chi-square,
- 2) Frequency distribution.

Analysis is considered as :

- 1) Based on Overall level of Employee Engagement on age wise,
- 2) Based on Overall level of Employee Engagement on work experience wise,
- 3) Based on dimensions.

Results

A. Based on Overall level of employee engagement on age wise

In order to understand the level of engagement of employees in insurance sectors, Chi-Square was performed and the result are presented in table-1

Ho: There is no association between age and level of engagement.

H1: There is association between age and level of engagement.

Table-1

| Degree of freedom | Variance | Table value |
|-------------------|----------|-------------|
| Remarks | | |

Result

The table given above clearly shows that there is association between age and level of engagement.

B. Base on Overall level of employee engagement on work experience wise

Ho: The work experience of employee and the engagement level is independent of each other

H1: The work experience of employee and the engagement level is no independent of each other.

Table-2

| Degree of freedom | Variance | Table value |
|-------------------|----------|-------------|
| Remarks | | |

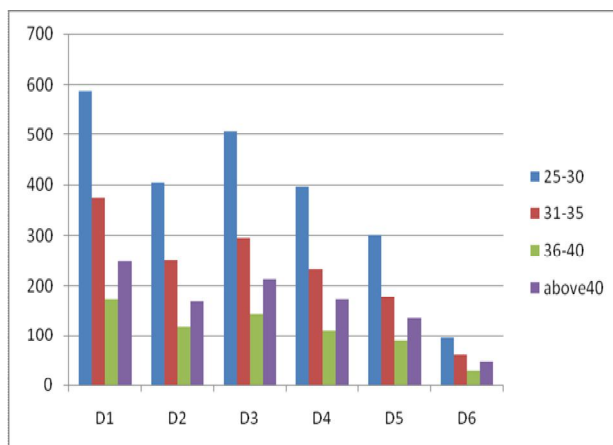
12 $\alpha^2 = 74.14$ 21.026
Reject

Result

The table given above clearly shows that there is no independent of each other.

C. Frequency Distribution

For this analysis we had taken the 5 point Likert Scale. Strongly Agree, Agree, Neutral, Disagree, Strongly disagree. The frequency distribution obtains for each dimension as:



D1-JOB, D2- Co-workers D3-Superior D4- Department D5- Company D6- Overall

Result

Employees are most satisfied with D1 and D3 i.e. quality of job with superior in the organization.

Employees are most dissatisfied with D6 i.e. overall engagement is low.

5. FINDINGS

The table given above clearly shows that there is association between age and level of engagement. The table given above clearly shows that there is no independent of each other. Employees are most satisfied with D1 and D3 i.e. quality of job with superior in the organization. Employees are most dissatisfied with D6 i.e. overall engagement is low.

The observation shows that greater dissatisfaction prevailed regarding the existing financial rewards or benefit plans in terms of employee engagement of the organization. Finding also revealed the emphasis given by the employees to fairness and equity in the job.

6. SUGGESTIONS

The suggestion box programs can be sophisticatedly changed to employee involvement association because it is the keystone of organizational development, nurturing the engagement and empowerment of employees.

Employees have diverse needs so the diversity requires flexible and individually directed support. The priority must be to offer a customizable program that can be tailored to the specific needs of each individual.

Benefit plans like cash balance plan which is a defined contribution plan specify the amount of contribution made by the employer towards an employees retirement account can be implemented.

Awards may be in the form of a gift card with a monetary value. Rewards and recognitions should be fair, transparent, inclusive, timely and varied.

7. CONCLUSION

Results from this study contributed to the limited empirical research on the topic of employee engagement. Specifically, it contributed the first statistical information about rates of engagement among staff in a human services agency. Because employee engagement is now understood to be a critical component of successful organizational outcomes, it needs to be closely examined in the social work field, if for no other reason that agencies are held increasingly more accountable for outcomes, and funding is often tied to success rates. An engaged staff can contribute significantly to reaching positive outcomes. Therefore, the engagement concept should be at the forefront of social work research and policy implementation.

REFERENCE

1. Purcell, J., Kinnie, N., Hutchinson, S., Rayton, B. and Swart, J. (2003) *Understanding the People and Performance Link: Unlocking the Black Box*. London, CIPD.
2. Purcell, J. (2006) *Change Agenda, Reflections on Employee Engagement*. London, CIPD.
3. Richman, A. (2006) 'Everyone wants an engaged workforce how can you create it?' *Workspan*, Vol 49, pp36-39.
3. Robinson, I. (2006) *Human Resource Management in Organisations*. London, CIPD.
4. Robinson, D., Perryman, S. and Hayday, S. (2004) *The Drivers of Employee Engagement*. Brighton, Institute for Employment Studies.
5. Rothbard, N. (1999) 'Enriching or depleting? The dynamics of engagement in work and family'. *Dissertation Abstracts International US: University Microfilms International*, 59 (10-A).
6. Saks, A.M. (2006) 'Antecedents and consequences of employee engagement', *Journal of Managerial Psychology*, Vol 21, No 6, pp600-619.
7. Schaufeli, W.B. and Bakker, A.B. (2004) 'Job demands, job resources, and their relationship with burnout and engagement: a multi-sample study', *Journal of Organisational Behaviour*, Vol 25, pp293-315.
8. Schein, E.H. (1987) *Process Consultation*. Reading, Mss. Addison-Wesley.

A Study on Employee Engagement in Insurance Sector in Madurai

9. Seijts, G.H and Crim, D. (2006) 'What engages employees the most or, the ten C's of employee engagement', *Ivey Business Journal*, March/April, pp1-5.
10. Shaw, K. (2005) 'An engagement strategy process for communicators', *Strategic Communication Management*, Vol 9, No 3, pp26-29.
11. Slater, P.E. (1966) *Microcosms*. New York, Wiley in Ferguson, A. (2007) 'Employee engagement: Does it exist, and if so, how does it relate to performance, other constructs and individual differences?' [Online] Available at: <http://www.lifethatworks.com/Employee-Engagement.prn.pdf> [Accessed 20th June 2007]
12. Smith, K.K. and Berg, D.N. (1987) *Paradoxes of Group Life*. San Francisco, Jossey-Bass.
13. Soltis, B. (2004) in Lanphear, S. (2004) 'Are your employees highly engaged?' *Credit Union Executive Newsletter*, 19, pp1-2.
14. Sonnentag, S. (2003) 'Recovery, work engagement, and proactive behaviour: a new look at the interface between nonwork and work', *Journal of Applied Psychology*, Vol 88, pp518-28.
15. Torraco, R.J. (2005) 'Work design theory: A review and critique with implications for human resource development', *Human Resource Development Quarterly*, Vol 16, No 1, pp85-109.
16. Truss, C., Soane, E., Edwards, C., Wisdom, K., Croll, A. and Burnett, J. (2006) *Working Life: Employee Attitudes and Engagement 2006*. London, CIPD.
17. Welbourne, Ts.M. (2007) 'Employee engagement: Beyond the fad and into the executive suite', *Leader to Leader*, spring, pp45- 51.
18. Wilson, F. (2004) *Organisational Behaviour and Work, A Critical Introduction*. 2nd ed. Oxford, Oxford University Press.
19. Yeung, R. (2006) 'Getting engaged', *Accountancy*, Vol 138, No 1360, pp58-59.